

Rüdiger Wischenbart
Content & Consulting

Update 2016

Global eBook

*A report on market trends
and developments*



Global eBook 2016

A report on market trends and developments

Written by **Rüdiger Wischenbart**, together with **Carlo Carrenho** (Brazil), **Dayou Chen** (China), **Javier Celaya** (Spain), **Yanhong Kong** (China), **Miha Kovac** (Central and East Europe), and **Vinutha Mallya** (India). Additional research by **Julia Coufal** and **Jennifer Krenn**.

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Main topics and structure of the Global eBook report (2016)

This report provides an overview of internationally evolving ebook markets, with a unique set of data from a wide array of the best available sources, a thorough analysis and a synopsis of key global developments, and a broad set of detailed references to both global and local actors, forming a resource for anyone interested in the globalization of digital (book) content production and dissemination.

The *2016 edition of the Global eBook report* portrays international consumer book publishing at a critical moment. Over the past few years, a traditionally conservative industry, occupying a core position in the creative sector of today's knowledge societies, had to confront mostly declining physical sales, while the emerging digital business had caught on with force only in the English language markets, notably in the United States and in the United Kingdom, and even here was only occasionally able to compensate for the loss in print books. Since 2013, digital has shown hardly any further expansion, at least for the traditional publishing sector.

Some indicators however point to a parallel shift towards global players, primarily Amazon, and to non-traditionally (independently or self-) published authors.

In most of continental Europe, ebooks have stalled even earlier, while the slide in physical sales was even more radical, particularly driven by the fallout of the economic crisis of 2008. Particularly markets like Spain or Italy have been hit hardest.

2015, remarkably, has seen a process of stabilization in many markets, with independent publishers and retailers gaining ground again. Also ebooks, while often stagnant overall, have been able to occupy significant niches.

In most of the emerging economies, such as China, Brazil, India, or Russia, the broadly admired surge of book markets has slowed down (in China, for instance), or become flat (in Brazil), or even has been reversed for several years (in Russia).

Altogether, what we currently see is most probably the "end of the digital beginning", and the beginning transition into the next, perhaps even more challenging phase, where writing, publishing and reading morph into fluid settings, where any content, in any format, is available for almost any user - yet without much stability both with regard to who is offering what, as well as how that offer is taken in by the many fickle audiences around the world.

For the *2016 edition of the Global eBook report*, the challenge was to subsequently broaden our perspective, by looking at both physical and digital developments, and so with more context than in previous years, with over 50 charts and tables summarizing and visualizing complex market developments.

We chose to extend our data driven analysis in several directions:

- Portray current market developments on the backdrop of at least 4 to 6 years of history;
- Look at both print and digital in direct comparisons;
- Widen significantly the scope, and angles, of our data analysis, notably with the help of partners from distributors and various industry observers, to gain much more specific insights into several market segments;
- Include a broader analysis of piracy offerings, as they allow again a broader understanding of users's digital preferences and habits; and finally,
- Update all the bits and pieces on market comparisons, global players, and key debates, which we had incorporated already in past years.

The *findings* of the *Global eBook* report allow us to assess, on the one hand, how the main drivers of digital change in the publishing industry impact on international markets in similar ways, as self-publishing, reading platforms and distribution infrastructures become available, and as publishers in all markets have become under enormous pressure of consolidation to ever larger entities. Remarkably, this opens at the same time new opportunities for both new entrants, and smaller, independent players as well. "Ebooks" are not one thing, or format, or concept - but rather a shortcut for a wide array of options to do things differently.

The Global eBook report 2016 consists of 4 main sections

Publishing - print and digital - in the global context:

- Book publishing by key statistics in comparison to other media industries (e.g. music, filmed entertainment, games);
- An overview of the largest book publishing markets, plus an analysis by sector (trade, educational and STM);
- Comparative chapters on digital developments at the largest corporations and on the recent consolidation in the publishing industry

Market close ups, detailing key figures and key developments:

- English language markets (US, UK);
- Selected European markets, notably Germany, Austria, France, (Walloonian) Belgium, Spain, Italy, the Netherlands, Sweden, Denmark, and an overview on Central and Eastern Europe;
- Emerging markets, notably Brazil, China, India, and Russia;

Thematic chapters on key drivers and debates shaping the ebook markets:

- The expansion of global platforms, notably detailing developments at Amazon, Apple, Rakuten Kobo, as well as a summary of Germany's Tolino reaching out into other European markets;
- A significantly expanded chapter, drawing on new data sources, to shed some light on ebook developments by subsectors, by pricing segments and pricing strategies, and by comparing all this across selected European markets;
- A comparison of piracy platforms in Germany, France, Spain, Italy and Poland, to better understand users' preferences and changing consumption habits;
- Summaries of further important debates (on self-publishing, subscription platforms, DRM, and on regulation).

Global eBook Yellow Pages:

- A listing of over 350 companies dedicated to ebooks, consisting of publishers, service organisations, distributors and aggregators, with short company descriptions and links.

Extensive *references to key industry sources* provide direct access and links for further reading.

We strongly encourage *critical feedback* and -even more enthusiastically- the *input of information and data to improve the foundations of this analysis*.

About the Global eBook report

The [Global eBook](#) report has been initiated in fall 2011 by the *Tools of Change* conferences and [O'Reilly Media](#), and has been updated on a regular basis.

Since fall 2013, the report is published by [Rüdiger Wischenbart Content and Consulting](#) (RWCC), who had developed the format and authored the reports from the beginning.

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If interested in becoming a sponsor, or to advertise in the *Ebook Yellow Pages*, please let us know by sending an email to *ebookYP (at) wischenbart.com*, or use the contact form at www.global-ebook.com.

Part 1: Publishing – print and digital – in the global context

Publishing - print and digital - in a global context

"It's the pace of change that caught our eye this year" We are social, 2016

A truly global overview and comparison of book publishing and other content and media industry confronts multiple obstacles, from lacking definitions of what is what, blurring distinctions between content generation and content distribution, borderlines between formats and channels, new giant actors re-defining entire industries, new platforms to access this diverse content (think 'mobile'). Consequently changing habits of billions of people, who may be affluent citizens of middle class neighborhoods, in urban agglomerations anywhere on the planet, or destitute populations who, nevertheless, through a connection of their mobile phones, have started to grasp possibilities, and techniques to access content - as information, knowledge, education or entertainment, anywhere in the world, any time.

According to data compiled by the information and consultancy agency '[We are social](#)', almost half of the world population (to be exact 46%, or 3.42 billion people) have access to the Internet today. Social media are used by some 2.31 billion people (equaling a global penetration of 31%), with 3.79 billion (or 51%) gaining access through a mobile device. In Nigeria, 82% of all web traffic is mobile, in India 66%, in Spain 32% - as compared to 28% in the UK, 27% in the US and 22% in Germany. Overall and worldwide, one third of all web traffic was mobile in 2015 (up from 17% in 2013, and 0.7% in 2009).

These, and many more similar numbers highlight one simple story: What is going on today, is not controlled, and (exclusively) shaped anymore by those old stakeholders and gatekeepers that have been used to define content, media, or format. The publishers, media moguls, or old school network captains navigate in a sea that is not theirs alone anymore. Not at all.

This must be clearly stated if, nevertheless, for the purpose of this report, we focus on books, publishing and reading, as if that rift had not really occurred already, and as if, to a degree at least, books were still that singular container and format that it had become over the past two and a half centuries.

Looking specifically at this one industry here, and how it is transformed by digital and global, and by new ecosystems claiming to pretty much replace that old industry altogether, is justified and reasonable, in our understanding, for two modest reasons:

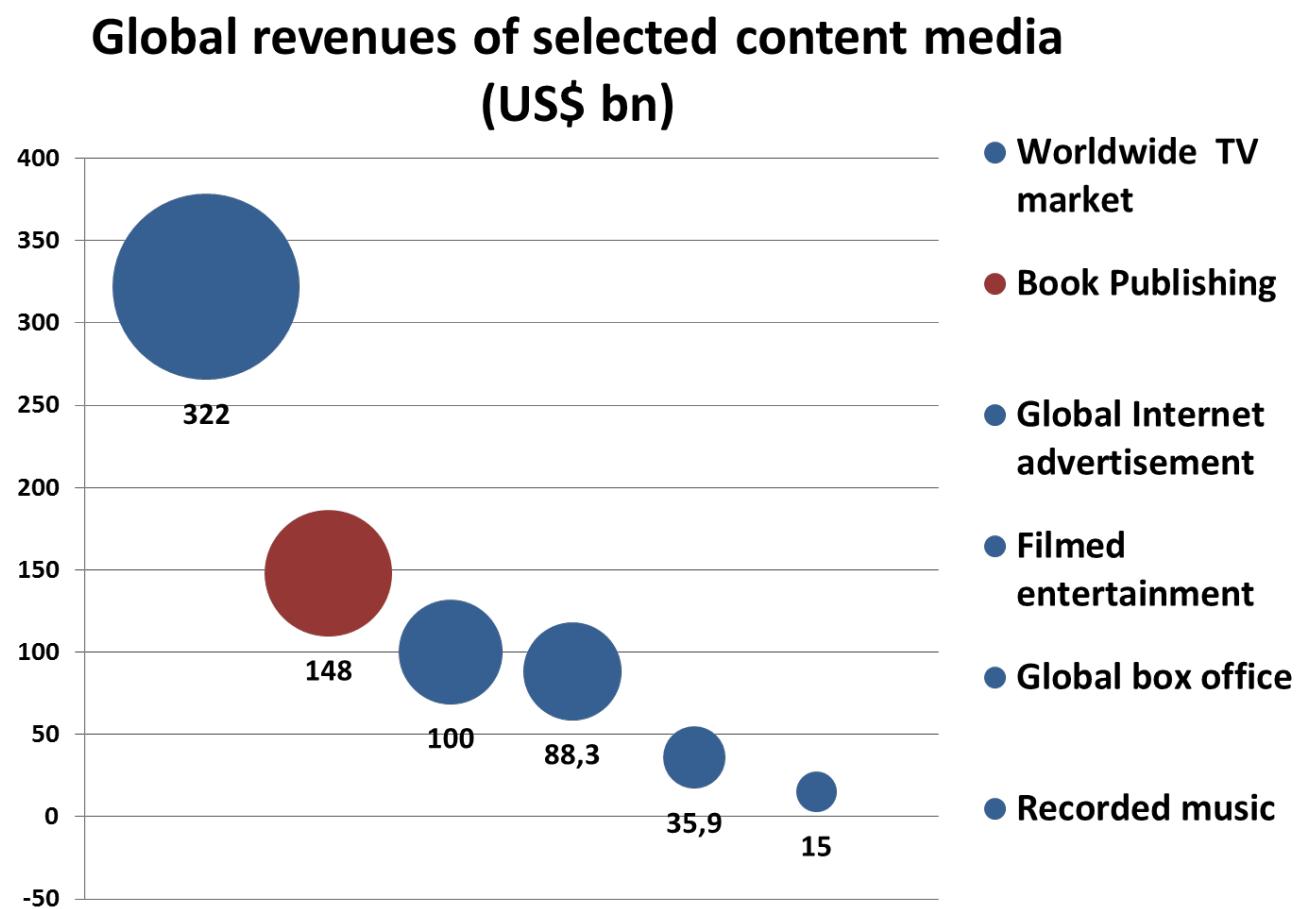
- Book writing, publishing, and reading turns out to be stubborn if not resisting to change at all, so at least insisting on having its own ways of transforming; and
- A close look at this one sector perhaps allows to identify some valid insights, as a case study, into the confusingly complex transformation of what happens more broadly between creators and their audiences, and the facilitating industries between them, today.

Book publishing in the context of other content industries

Book-publishing accounts for worldwide revenues of ca. €114 billion, according to an estimate which we conducted for the [International Publishers' Association](#) in 2013, based on numbers for 2012 (equaling \$150 billion at the exchange rate between the euro and the dollar at that time). This value includes trade and educational publishing as well as professional or scientific publications, and is roughly consistent with other estimates, e.g. from [PriceWaterhouseCoopers](#), of slightly \$100bn, yet with a much more narrow definition of *publishing*, with only trade and educational book-publishing included.

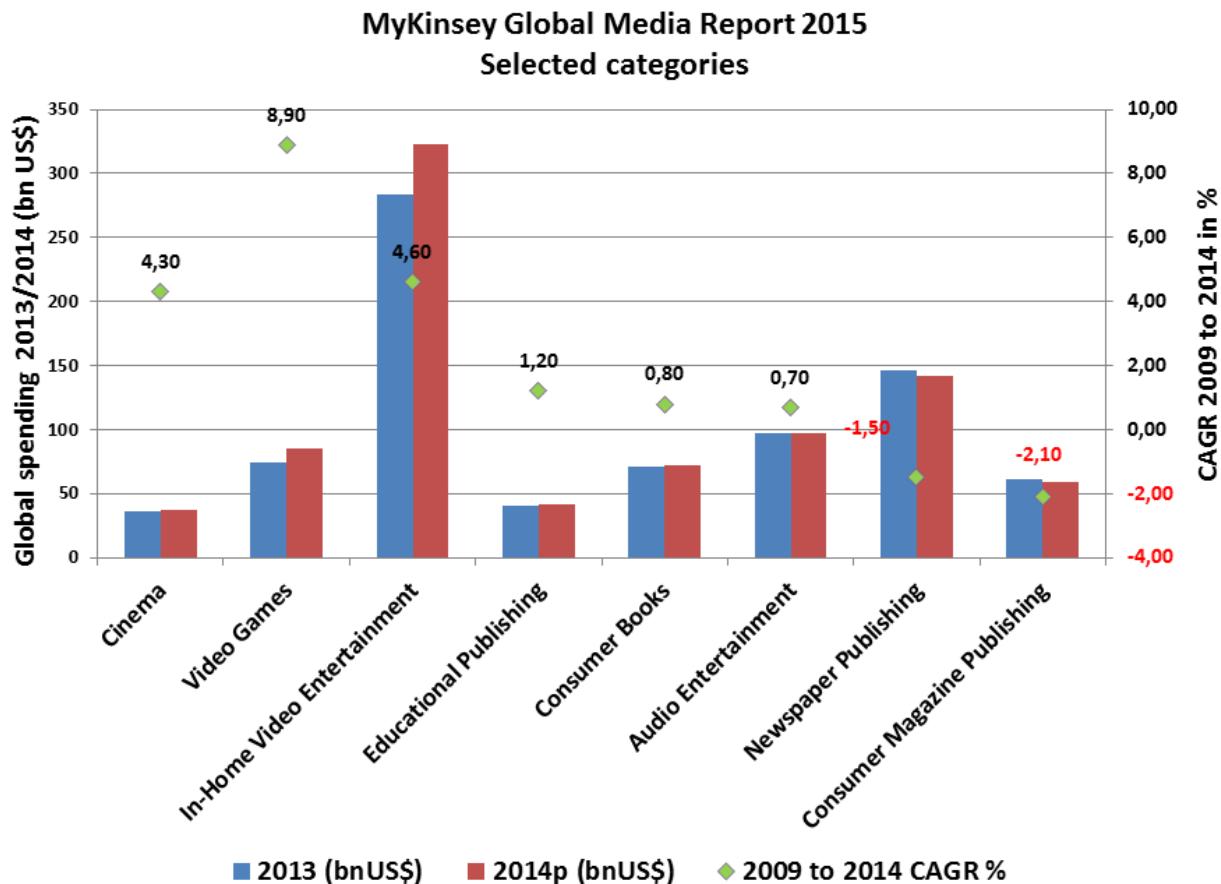
The recent decline in book markets in North America and Europe coincided with growth in emerging countries (notably China and India), so that the total global book market has remained flat at those levels. With the recent slump in emerging economies, this may now change.

Book-publishing occupies a central role in today's global knowledge society, encompassing books as a format relevant for education, scientific research as well as entertainment and leisure reading, and hence it comes as hardly a surprise that the overall size of it surpasses most other content media,in particular music, games, or even filmed entertainment. Only the worldwide TV market is significantly larger than books.



A comparison of selected content media industries. (Mostly data for 2013. Various sources, with mostly from sector trade organizations, compiled for this report)

However, in the digital transformation, the various segments of the content and media industries evolve very differently. The McKinsey Global Media Report is tracking for some years now how the various sectors in media and content evolve, and compare.



Performance of selected content and media industries. Chart generated for this report from numbers in the [McKinsey Global Media Report 2015](#).

Quite drastically, the compound annual growth summary (CAGR), by sector, for 5 years, 2009 to 2014, makes it clear that those industries expand, which have found ways to get their content to their audiences successfully through those digital pipes, while the primarily paper based, physically delivering industries are losing ground. Book publishing, with general consumer sector and educational sector even represented as two separate entities, are currently in the middle, sitting right on the borderline that sets those two distinct territories apart.

The global book business

Book markets around the world are shaped by a number of factors, from population size to economic development.

The following list and chart, with a wide selection from the largest book markets, introduces just a few of the very basic parameters which however are key to defining a context for the business, and the culture of books, namely the total value of a country's book market at retail, or consumer prices. First we look at the market size, by comparison to the GDP per capita at purchasing power parity, and an indicator for a country's economic strength.

Key numbers for the book business for selected publishing, with most recent numbers available.

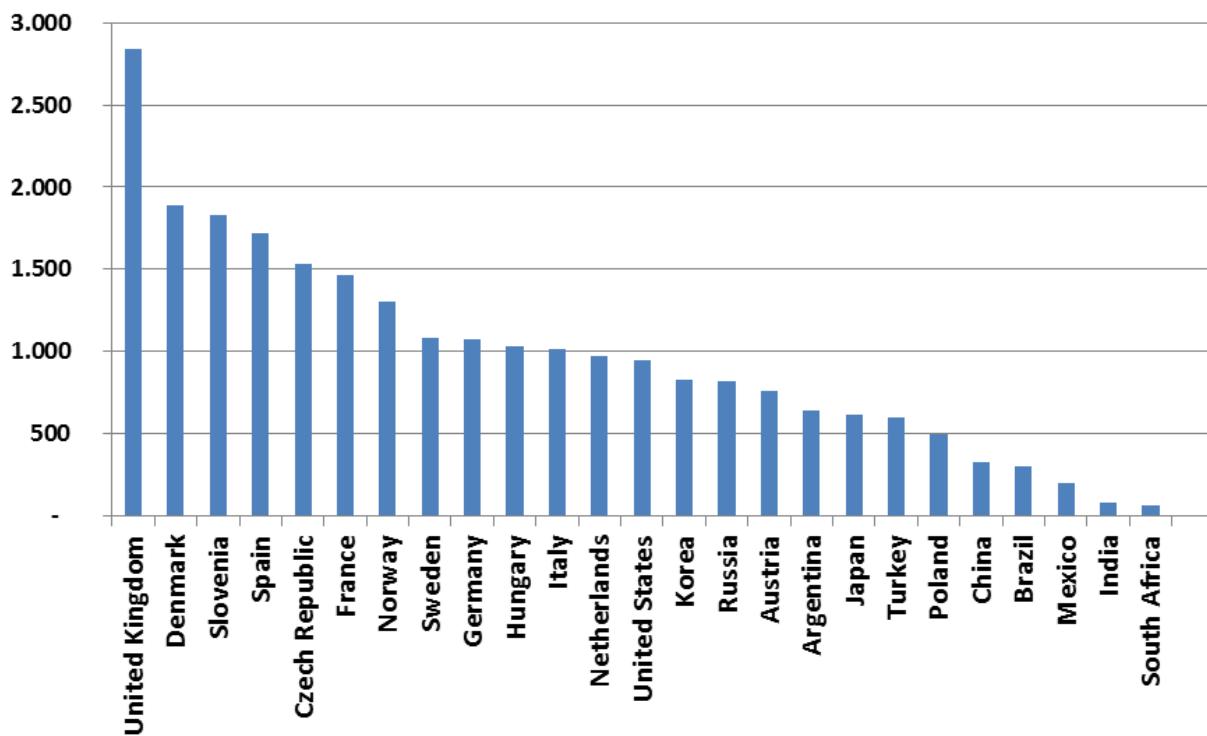
Rank by Market Size	Country	Market Value (million)	Year	GDPPC(PPP)
1	United States	€32,105	2014 (est.)	\$53,143

Rank by Market Size	Country	Market Value (million)	Year	GDPpC(PPP)
2	China	€18,183	2014	\$7,590
3	Germany	€9,322	2014	\$47,822
4	Japan	€5,409	2013	\$36,315
5	United Kingdom	€4,227	2014	\$46,332
6	France	€3,900	2014	\$42,733
7	Italy	€2,894	2014	\$34,909
8	Korea	€2,974	2012	\$27,971
9	Spain	€2,738	2014	\$29,767
10	Brazil	€2,281	2014	\$11,384
12	Turkey	€1,729	2013	\$10,515
13	India	€1,794	2013	\$1,582
14	Russia	€1,582	2013	\$12,736
15	Netherlands	€1,319	2013	\$52,172
17	Poland	€1,025	2013	\$14,343
18	Mexico	€848	2012	\$10,326
21	Sweden	€665	2014	\$58,939
22	Austria	€761	2013	\$51,191
23	Norway	€607	2014	\$97,307
26	Argentina	€517	2014	\$12,510
27	South Africa	€464	2010	\$6,483
28	Czech Republic	€2,014	2014	\$19,530
31	Denmark			\$60,000
36	Hungary	€140	2014	\$24,029
38	Slovenia	€100	2013	\$23,999

To contrast the economic perspective, we add a second angle, highlighting the scope of production, as seen by the number of new titles and re-editions released in a country in one year per 1 million inhabitants. This parameter illustrates not necessarily the importance attributed to books and reading, but emphasizes a mix of drivers, from the capacity to export titles beyond a country's borders (in the case of UK or Spain), but also possible public funding for book-publishing (e.g. to foster a national identity through books and literature, as in

examples like Georgia, Slovenia or Norway). Also, very populous countries with only emerging economies are discriminated in an informative way against those small nations who often show a particular fondness for their creative production.

Book markets ranked by new title production (New titles & re-editions per 1 million inhabitants)



Comparing production of new titles and re-editions per 1 million inhabitants of selected large book markets. Mostly 2014 data. Various sources (mostly national trade organizations).

The global book business is strongly concentrated among a very few markets, with the six largest countries accounting for 58% of worldwide revenues. (The United Kingdom is placed in this list ahead of France, despite of its domestic market being smaller. However, we argue that the British publishers' massive exports of their publications around the world, worth £1,445 million in 2014, should be taken into account in the ranking.)

The 6 largest book markets worldwide

	Market value (million, 2014)	Change against prev. year, in % in local currency
United States	€32,105 m	4%
China	€15,342 m	6%
Germany	€9,322 m	-2%
Japan (2013)	€5,409 m	-2%

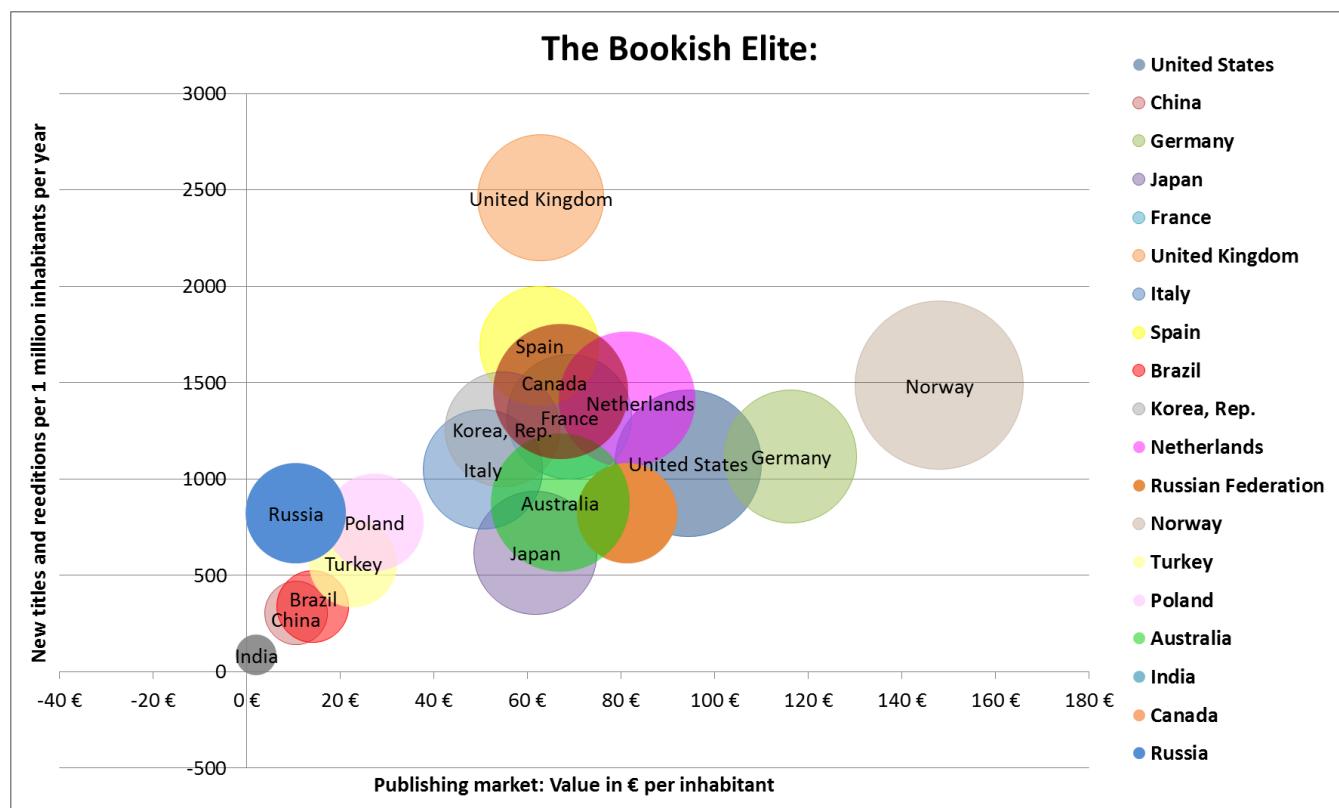
United Kingdom (UK domestic, excl. 1,445 m GBP exports)	€4,227 m	-2%
France	€3,900 m	-1.3%
Rest of the world (est.)	€48,037 m	
World	€114,000 m	

Overall, book-publishing, in a global perspective, for a long time had been governed by an exclusive club of relatively affluent countries in North America and Western Europe, plus in Asia by Japan and Korea. Many regions in the developing parts of the planet had a - limited - relevance just as export destinations for those leading publishing companies in the United Kingdom, the United States, and in Spain (for Hispanic Latin America) and France (for the Maghreb countries of North Africa)

Most recently though, several new book countries of both sensible market size and growth, and also with ambitious domestic companies aiming at assuming a role as relevant actors have emerged. This is the case of Brazil, China, India, and to a still lesser degree Turkey, Russia (which however is now hit by a downward spiral of its overall economy), and a few others.

The economic rationale of this process is simple, as emerging economies almost automatically produce urban middle class populations aiming at providing better and more state of the art education for them and their children, while at the same time craving for reading as entertainment - which both often come in the format of books.

So at once, global book-publishing can be portrayed as it mirrors a new club of emerging book countries, next to the old, post colonial and post World War II universe run from a few long established headquarters in London, New York, Paris, Barcelona and Munich.



*The Bookish Elite: Market size & new title production per capita in the 20 largest publishing markets worldwide. Bubble size = GDP per capita (PPP).
(Source: Wischenbart)*

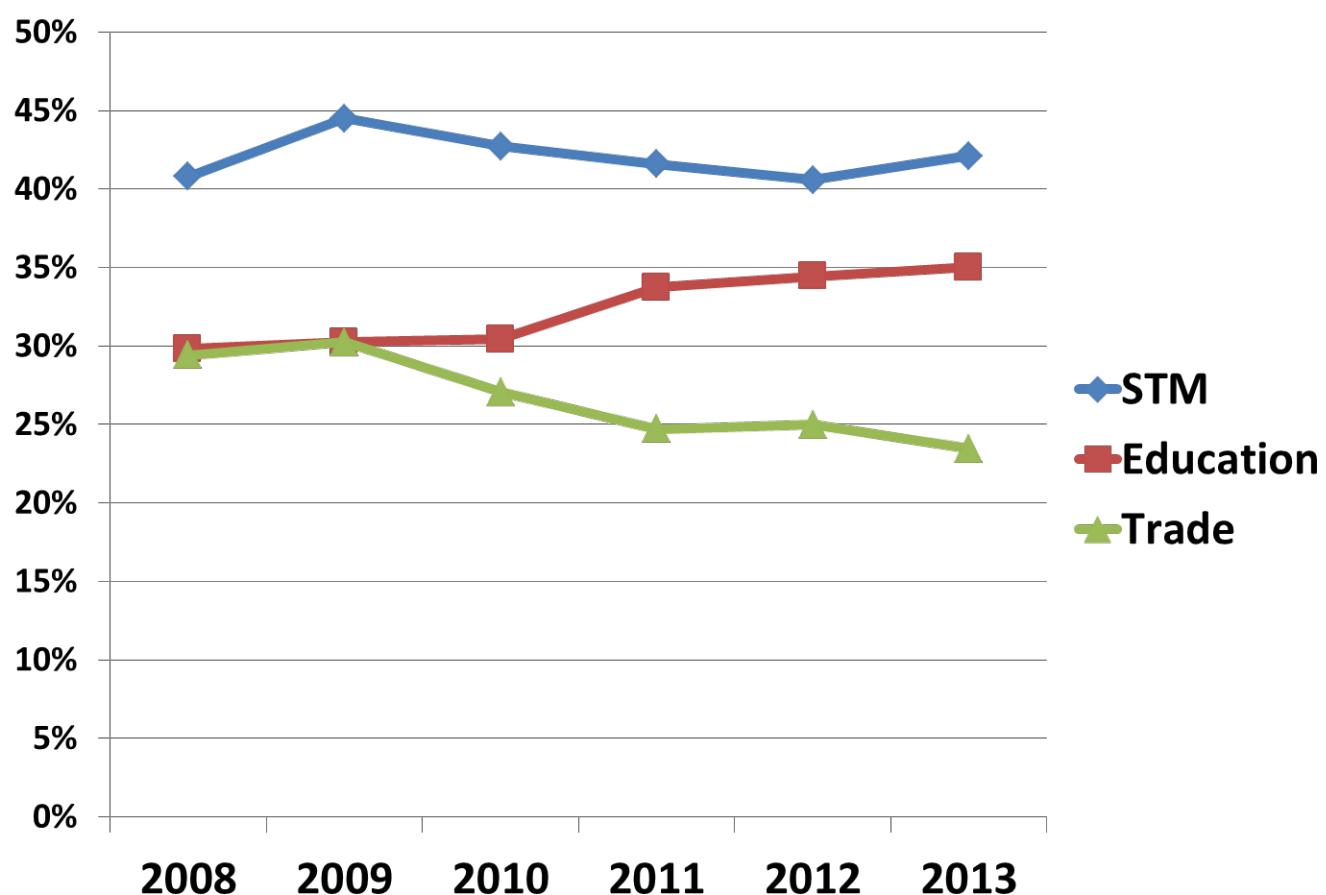
The disintegration of the universe of books and publishing

A similar pattern is to be found by looking at the internationally active publishing companies. At the very top, a high, and ever growing degree of consolidation among the biggest actors is at once confronted by new contenders from emerging economies in the global market place.

On the one hand, consolidation and restructuring over the past decade has resulted in the formation of a number of huge corporations that operate on a global scale, which aim at dominating their respective sectors as paramount market leaders.

The Global Ranking of the Publishing Industry in its edition of 2014 shows, that the combined revenues of the 10 largest groups easily surpass, with 57%, those of the 40 following publishing entities. But in the ranks, new companies, notably from China, Brazil and Russia, have been seen to gain influence as major domestic actors in their respective home markets, while some, above all from China, are now reaching out to find a new role in the international arena.

But yet another split has become visible, bringing apart what for long has been considered as one largely integrated universe of books and reading, learning, knowledge and cultured pleasure. This is replaced on various levels by distinct sectors, defined by separate companies, driven by different business models, catering each to distinct audiences, and showing more and more clearly diverging economic performances.



Evolution of main sectors in the Global Ranking of the Publishing Industry, among the 10 largest publishing groups, in %. (Source: Global Ranking of the Publishing Industry)

Among the 10 largest publishing groups worldwide, and in the publishing business as a whole, three distinct sectors have taken shape, namely professional or STM (scientific, medical and technical) publishers, educational publishers, and trade, or consumer publishing, with the first, STM being the strongest, and the third, trade, showing a by now continuous downward development in terms of sales.

In the 2015 edition of that ranking, two companies from China were represented for the first time among the top 10, Phoenix, and China South, with the former focusing on trade, and the latter with a significant stake in education.

These shifts, regarding both the distribution by geography and by sector, will accelerate in the near future even further, as new entrants like Amazon or Apple have identified notably the sector of (digital) educational publishing as attractive targets, competing now directly with the traditional publishers in that domain, too.

See The Global Ranking of the Publishing Industry 2014, initiated by Livres Hebdo, co-published by The Bookseller, buchreport, PublishNews Brazil and Publishers Weekly, and researched by Rüdiger Wischenbart Content and Consulting. For a summary, see www.wischenbart.com/publishing.

What sets "ebooks" apart from printed books

Ebooks, as we came to know them in recent years in a growing number of markets, are basically digital versions of books as defined by [UNESCO](#) in 1964.

A book is a non-periodical printed publication of at least 49 pages, exclusive of the cover pages, published in the country and made available to the public.

Ebooks, as electronic books, have been around for some time, yet have become more popular only when Amazon had launched its Kindle e-reading device in 2007, after convincing major US publishers to make a relevant number of their new fiction titles available in digital format through the Amazon platform.

From this head-on start, ebooks have been popularized principally in three competing digital formats (Mobi for the Kindle, ePub as an open standard format, and PDF for conversions of all sorts of documents), to be read on either dedicated ebook reading devices (such as the Kindle, or similar devices from Sony, Barnes & Noble's Nook, Kobo, Tolino, or others), or from 2010 on increasingly on multi-functional tablet devices.

This evolution has not been the same in all regions. In China for instance, digital reading and writing started through hugely popular online platforms, like pioneering [Qidian](#), which in fact was created in 2003 as a form of self-publishing community, before the term and the approach became mainstream in the West.

Digital reading has moved by now largely to mobile devices, especially smartphones, in all of Asia, and increasingly in most countries outside the Americas and Europe.

Recent studies show that even in Germany, where dedicated e-reading devices have a remarkable following among digital readers, smartphones have found their place as reading devices, too. (See a study by Bitkom, [e-book.news](#), 1 Apr 2015)

The scope of the digital transformation, and its impact on the very fundamentals of books, as a format, and reading as a practice, become perceptible only now. Particularly the shift to mobile, with the smartphone serving as today's iconic device, might have the power to ripping off the cover from UNESCO's definition of what a book is, and to instead create new realms for content, and media, in which distinct separations by format become ever less relevant. (R. Wischenbart: Ripping off the cover. Has digitization changed what's really in the book? In Logos 19/4, 2009.)

Or, as The Economist has written about the smartphone as "the defining technology of the age": "Like the book, the clock and the internal combustion engine before it, the smartphone is changing the way people relate to each other and the world around them." And this change would obviously include the way books are conceived, and how reading these books is practiced. (The Truly Personal Computer. [The Economist](#), 28 Feb 2015)

The ebook, as perceived and analyzed in this report, must be understood as both a current, expanding format and market segment in international digital publishing, yet also beyond this, as a concept that potentially goes far beyond the book as defined by UNESCO, and as the product commonly manufactured, traded and consumed over the past two and a half centuries.

Key trends across selected international markets

A clear overall pattern is governing most publishing markets in North America and Europe: For several years, the market for print books, especially bookstore sales, have been declining - slowly in some markets, sharply in others -, while ebooks rose, yet at a very different pace by country. Recently, notably in the English language, the increase of digital market share has stalled, or even occasionally declined, while print seemed to rebound. What we see most importantly are significant patterns, and variations in different markets and territories, seemingly due to a complex mix of economic, cultural, and structural factors. In the following, we will attempt to provide an overview of these developments, and the shaping forces behind, for a broad selection of markets, in the Americas, Europe and Asia, with detailed breakdowns, and case studies, based on the data which we could collect from a large variety of sources.

A note of caution

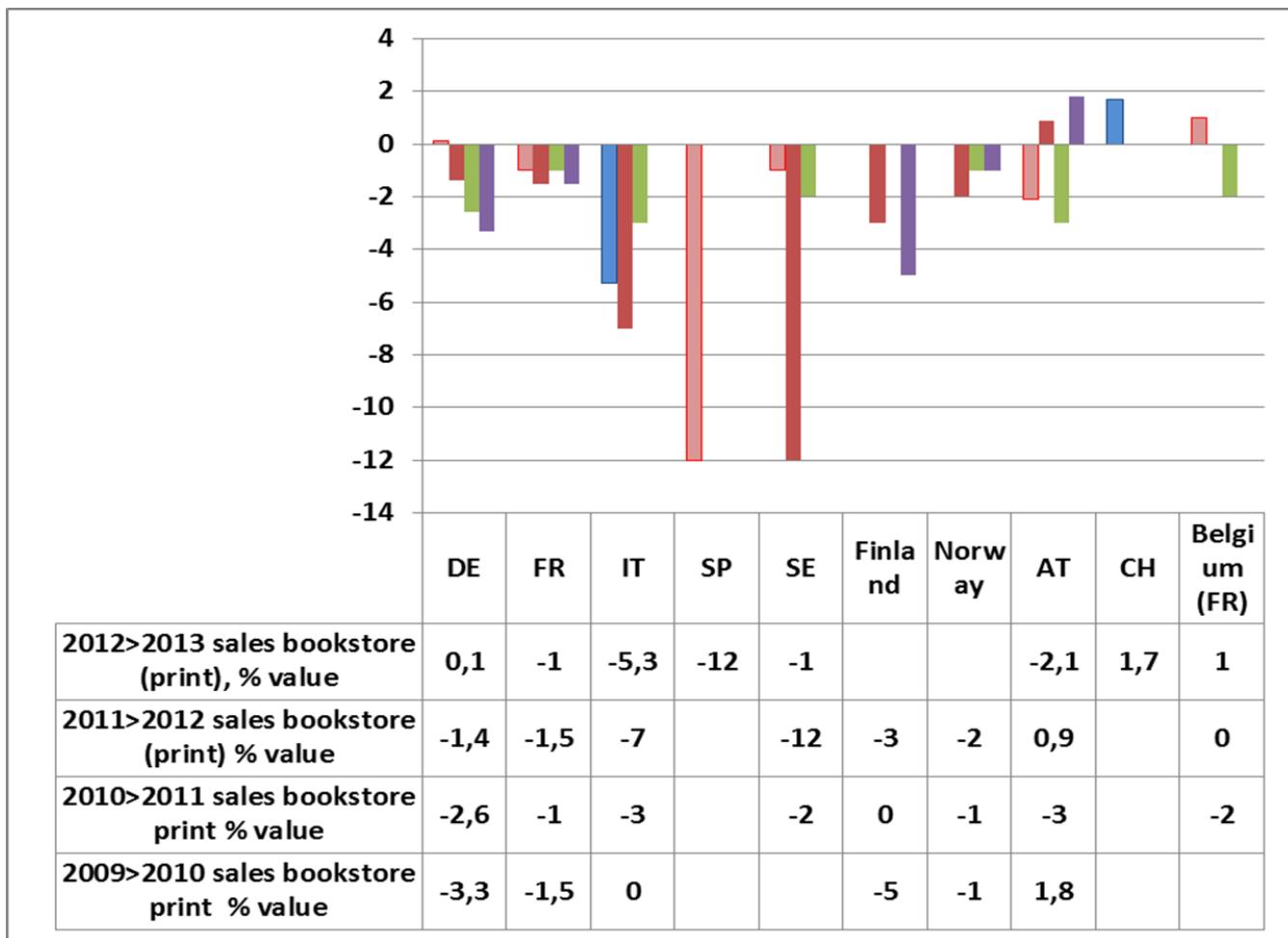
A data based analysis across publishing markets and borders of the evolution of book markets unavoidably confronts a challenging situation with regard to available data for most markets. Even worse, inconsistent measures and definitions of parameters prevail, so that the outcome must resemble a jigsaw puzzle, with many pieces missing, and others not fitting into the overall design.

The following overview must therefore be regarded as only a rough attempt, like a working beta version, aiming at producing an incomplete map, together with the encouragement to readers to return critical feedback on possible errors.

Decline in print, slowing growth in digital

In most of continental Europe, for the last several years, book markets went down. Some countries, with relatively robust overall economies, like Germany or France, saw a modest, yet nevertheless steady decline. In others, like Spain, or Italy (or Greece, where no reliable data are available), the crisis impacted on the book trade with full force, or, for the example of Sweden, a mix of highly specific local factors brought about the sharpest decline in decades.

In all these markets, digital change in trade (significantly in adult fiction) has only begun its transformation of trade book markets at this point, so that the loss in print has not been compensated by digital gains.



Digital growth could not nearly compensate the loss in print in any of these markets.

Comparing ebook market share in European key markets

In the non-English speaking countries, the market share of ebooks within the trade segment of the book market, is below 10%, ranging from as little as 1% in Sweden to around 4.9% in Germany, with growth showing signs of flattening out across the board.

However it must be strongly emphasized that these figures are hardly informative, as ebooks do absolutely not develop evenly across categories and market segments, but are primarily reaching consumers with titles of fiction (notably for the biggest bestsellers), genre fiction (like fantasy, or romance), and low priced self-published works.

For some countries at least, the penetration of ebooks is reflected in a second number, portraying market share among those publishers who are actively engaging with digital for consumers, which can reach levels of around 10%, as is the case for Germany (based on a round call to publishers by the trade association Börsenverein). Thirdly, anecdotal evidence has it that in the ebook top segments, like blockbuster fiction or romance, ebooks can account for 30 to 40% of sales, or even more - and so in some specific cases even in countries with a particularly low presence of ebooks, such as France.

To narrow down this gap of understanding, and develop a more realistic and meaningful representation of ebook market evolution in markets across continental Europe, we opted for new approaches in the current edition of this report. With the help of several ebook aggregators and distributors, we produced a series of

much more specific snapshots, and trending charts, highlighting trends and developments by territory, by genre, as well as by price.

These new elements, which we consider to shed some truly innovative and meaningful light on what drives the digital segments of trade, or consumer books, can be found further in this report, in the section on "Key drivers and debates", notably in the chapters on measuring ebook markets, and on pricing strategies.

Within book markets and market segments, again ebook revenues are not evenly distributed among publishers. On the contrary, available data strongly suggest that beneficiaries from ebooks sales are primarily the respective largest publishing groups, plus a few independent publishers specializing in digital exploitation (plus probably self-publishing, yet with no data available that would allow a direct comparison).

Ebook revenue at the Big Five publishing groups

The *Big Five* publishing groups which are the predominant actors notably in English language markets have created a relevant market segment among themselves for the US and UK. Penguin Random House and Hachette, who have both a strong presence in their non-English home markets, in Germany and France, have in addition been successful in establishing strong digital positions in German and French ebook sales.

	Penguin Random House	Hachette Livre	Harper Collins	Macmillan	Simon& Schuster
	2015	2015	2015	2015	2015
Group revenues from publishing (million)	€3,717 m	€2,206 m	\$1667 m	n.a.	\$780 m
Revenues from ebooks (in %)		9%	22%		25%
Revenues from ebooks (details, 2015)	Audiobooks +27%	22% in US 26% in UK	e-sales +11% 100,000 ebook titles		
	2014	2014	2014	2014	2014
Group revenues from publishing (million)	€3,324	€2,004	\$1,434		\$778
Revenues from ebooks (in %)	20%	10.3%	22%		26%
Revenues from ebooks (details, 2014)	USA 30% (romance 50%) GER 15% SP 10%; 100m ebooks sold	26% in US; 31% in UK			
	2013	2013	2013	2013	2013
Group revenues from publishing (million)	€2,655	€2,066	\$1,369	€721	\$809

Revenues from ebooks (in %)	20%	10.4%	23%	27%	27%
Revenues from ebooks (details, 2013)	100m ebooks sold; -9% in volume from 2012)	30% in US; 27% in UK)			

The relatively lower share of ebook revenue at Hachette results from the French domestic market's very limited ebook penetration thus far.

Ebook revenues at independent publishers

Unfortunately, only very few data on ebook sales are available from independent non-Anglo-Saxon markets.

Only Germany demonstrates a good example. Penguin Random House reportedly has 15% of its domestic German trade sales coming from ebooks, slightly higher than those in the main imprints of the Holtzbrinck group's Fischer, Rowohlt and Kiepenheuer & Witsch, at 12 to 14%, and Droemer Knaur closer to Random House. Bonnier's Ullstein sees 13.5% of its revenues coming from digital. And two independent houses with strong digital ambitions, Aufbau and Lübbe, report 16.5 and 13.5% respectively. Overall, these numbers show that ebook sales in those houses are all in a corridor ranging between 12 and 16%, which is clearly higher than the 10% reported from various publishers interviewed by Börsenverein in early 2014.

This perspective not only underlines, once again, how meaningless the low one-digit values of ebooks within all of trade sales are. It also clearly emphasizes that ebook sales have started to define a segment with its own specialized actors, and specific driving forces in a target audience that may become a distinct group, different from the print readership.

Growing consolidation in European publishing

All the transformation processes of recent years, which in the meantime have well reached also non-English language publishing markets, have heavily impacted on the retail landscape distinctly across continental Europe. Hardly a large book retail chain has remained untouched, and several had to either undergo severe restructuring (Fnac in France, or Thalia in Germany), or had to file for bankruptcy, yet struggling on for survival (like Weltbild in Germany), or even have disappeared as brands altogether (like Chapitre in France, or Polaris in the Netherlands, each chain being dismembered, with units sold off to become new independent bookstores).

Publishing, by comparison, so far has had not one real casualty. The largest trade houses in Germany, for instance, experienced losses of just around 1% in 2014, according to a new domestic ranking. (100 largest publishers in Germany, [buchreport](#), 1 Apr 2015)

This seemingly solid overall impression only disguises that all across Europe the pressure to consolidate has mounted significantly in recent years, resulting in a widening list of mergers and acquisitions among trade publishers.

Mergers & Acquisitions

The merger of Bertelsmann's Random House, with Pearson's Penguin group in 2013, and the subsequent creation of a new global leader in consumer publishing under the brand of Penguin Random House (with the former accounting for 53%, and the latter 47% of the new entity) was only the tip of the iceberg. Quickly, the new group formed a massive division, Penguin Random House Editorial, to bring all its Spanish language

publishing under one roof, plus the newly acquired trade arm of Santillana, formerly the third largest consumer publishing in the Spanish language (after Grupo Planeta), and consolidating also its control over the third largest Hispanic house, by acquiring Mondadori's 50% stake in Mandadori Random House.

Hachette also had some acquisitions, in Brazil, and with Quercus in the UK. A planned takeover of US Perseus in 2014 fell apart at first, but was successfully concluded in a second run, in 2016 with Hachette taking over the company's publishing activities, and wholesaler Ingram acquiring the distribution and services division of Constellation (and the British arm of Constellation, which had initially been a joint venture, being now fully taken over by that partner publishers, Faber and Faber). (See Publishers' Weekly, [1 Mar 2016](#) for the Hachette deal, and [3 Mar 2016](#) for the Ingram acquisition.)

HarperCollins, which so far had been pretty much an English language enterprise only, took over Canadian Harlequin, for Can \$455 million from its parent company Torstar in one of the more interesting consolidation moves. Harlequin had been pioneering the digitization of genre fiction, by re-inventing romance literature, turning it from a disdainful house-wife niche into a digital, community driven offer to urbanites who typically would read the serialized stories on their smartphone during a commute to work. At first, Harlequin was remarkably successful, and expanding internationally to 17 countries with books out in 33 languages. But then, revenues hit a ceiling, as the next wave of innovation, with self-published content, took over the newly created terrain. For HarperCollins, Harlequin must have appeared as the perfect prey, as it provided worldwide experience with well catered readers' communities and distribution. ([Publishers Weekly](#), 1 Aug 2014)

In continental Europe, indebted Italian RCS handed over its French holdings of Flammarion to Gallimard, in an effort to close the gap with the two leading French groups, Hachette and Editis (the latter acquired by Spanish Planeta not long ago). With the addition of Flammarion, Gallimard is now clearly the French number three in trade.

In late 2014, rumors spread in Italy about the market leader Mondadori to be interested in acquiring RCS, and the deal was closed effectively in fall 2015, and approved, with some restrictions by Italian trade authorities in spring 2016. (See details in the country close up Italy, in this report.)

Already a few years earlier, in 2011, a complex swap between Swedish Bonnier and Finnish WSOY resulted in Bonnier acquiring all of the Finnish' partner's trade publishing in return for Bonnier's educational division. WSOY also sold off all of its book retail holdings, to streamline its portfolio.

Central Europe in return saw also several mergers, with the contrary strategy of vertical integration, as major local publishers acquired retail chains, or vice versa. Remarkably, these were all local moves, while no foreign investment in publishing has been reported recently throughout the region. (See the close up on Central and Eastern Europe in this report for details.)

In early 2015, consolidation was picking up speed also in academic publishing, as the German Holtzbrinck group, the owner of Macmillan, announced the acquisition of Springer Media, through a majority stake of 53% in a future joint venture, making the group the global number four in the sector. (For a detailed assessment, see an interview with Axel Bartholomäus in [Börsenblatt](#), 15 Jan 2015)

All those actions from more or less traditional publishing groups must be seen in context of totally new actors who begin to walk into their vested terrain, of course. Self-publishing triggered the disruption at Harlequin. But also Amazon (through both Direct Publishing, and Kindle Unlimited's streaming offer), Apple (e.g. with iAuthor), or Google (e.g. with Classroom) all aim at replacing what used to be the core business of (trade, educational, or academic) publishing.

The transformation of the European book business

Adding up these developments into an estimate for consolidation rates in at least the major European publishing markets remains a difficult exercise. But it is more then safe to say that in most larger countries, notably France, Italy, or Spain, a few leading groups have gained significant control over both the trade and the educational publishing respectively.

As we can see from many observations and the data throughout this report, digital developments are led by, and work to the advantage of the respective predominant players. And consolidation adds to the momentum in significant ways.

A good hand full of premier league international groups reach out across all borders, remarkably Penguin Random House (UK, Spain, Germany), Hachette (UK, France, Spain), HarperCollins (UK, Germany, and in early 2016 also France), Holtzbrinck (Germany, UK, plus academic and educational). In this race they are joined by two regional groups, Planeta (Spain, Latin America, and France) and Bonnier (Scandinavia, Germany).

Similar moves of expansions can be seen also in educational publishing. Amazon, for instance has created a stir among French publishers as it signed a deal with the French Ministry of Education, to encourage teachers to use tool sets and platforms from Amazon for the creation and dissemination of open educational resources (OER). (BookBusiness Magazine, [March 2016](#)) Also specialized platform organizers in the field, like Ingram, with [Vital Source](#), or [Infinitas Learning](#) are reaching out to ever new markets and target audiences with their educational services.

All those many remaining, primarily national medium sized, usually family owned enterprises below that level of the transnational corporations, confront a steep challenge to stay afloat, to fill their traditional niches, and compete, notably in trade, directly with the transnationals - a process that will effectively transform these houses too, as they need to reach out to new sources of investment for the journey - though at significant risk.

Contributed article Klopotek

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David Worlock, Outsell, UK,
on the 2015 event.

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Part 2: English language markets

English language markets

The ebook market as we know it today, and track it in this report, started in late 2007, as Jeff Bezos, the founder of Amazon, "unveiled the Kindle, a simple, lightweight device that—in a crucial improvement over previous e-readers—could store as many as two hundred books, downloaded from Amazon's 3G network." (George Packer, *Cheap Words*, [The New Yorker](#), 2014) The launch of the Kindle had been prepared not just by putting in place both a reading device, and a retail platform at Amazon's online store. It had also required to convince major US publishers to make their new front-list titles, and notably fiction releases, available in digital format.

From there, it took another three years, until the Christmas season in 2010, for ebooks to kick start an amazing growth curve by winning over a sufficient number of consumers to change their reading habits from print to reading on a small, black and white screen. Early adopters counted more heavy readers of a certain age, with a fair number of women, rather than techies, nerds or geeks. It was more the audiences of commuter trains and subscribers to the New York Times and its bestseller charts, than kids or young adults trying out an alternative to their gaming platforms. And even to this date, university students have been remarkably slow in trading their heavy textbook packs for lightweight digital learning devices.

The growth curve was steep at first, triggering numerous projections anticipating that soon, ebooks would top print books at least in the general consumer, or trade, segment. In fact, another three years later, by the end of 2013, the upward trend had started to flatten out, probably when ebooks had successfully reached a good majority of these heavy reading target groups who had indeed migrated for much of their day to day consumption of books.

This development, as seen in the United States at first, has been mirrored with minor differences in the United Kingdom, where again, the early expansion has stalled by 2014.

Perhaps as important as the relatively low hanging glass ceiling for ebook growth is to observe that ebooks did not penetrate all segments of reading in similar ways. Quite the opposite did happen. Ebooks produced very specific patterns of penetration in certain categories of books, by being strongest for bestselling new fiction, genre fiction (that is notably romance, erotica, fantasy) and self-published books. Nonfiction is lagging far behind, even in the US.

But also by territory, differences prevail for ebooks in the scope of their trajectory, and in the ways of being appreciated, or rejected, by readers, as will be shown in this report for much of continental Europe, and the rest of the world.

One important caveat though: The transition of reading in the digital age will undoubtedly take a longer period of time than many have anticipated. "At least 20 years", in the words of Michael Serbinis, the founder of Kobo, at a panel debate at the Frankfurt Book Fair in 2012. Hence it is largely nonsensical to pretend knowing, after just one third of this period, how exactly digital reading will be conceived by most readers in, say, 2027.

Unsurprisingly, in 2015, and also in 2016, it becomes evident that the digital transformation encompasses much more than; the addition of one more format, ebooks, to those used by publishers for bringing packaged content to the consumers. Alongside with ebooks, digital audio has recently seen a remarkable popularity with users. For authors, self-publishing has become a valid alternative to the full-service offered by traditional publishers. Subscription or flat rate offerings have started to emerge - and occasionally failed - as an alternative business model to the common sale of one copy at a time. And then, entirely new digital 'ecosystems' have emerged, in the form of largely closed, yet complete and integrated content, media and social communication universes satisfying the entire specter of consumers' information and entertainment diet. These were at first proposed by Amazon's and Apple's, and are now followed by Google and Facebook, or, notably in Asia, by their Chinese equivalents, Alibaba, Tencent, or Baidu.

In short, a first phase of digital transformation, started in the English language main markets, and largely limited to the format of ebooks as a simple digital substitution of the printed book, may now be followed, in a subsequent phase, by a much broader and deeper re-framing of how consumers and content providers interact in the digital realm.

The following market close-ups are the core section of the *Global eBook* report, summarizing for a number of countries and markets, and based on the - often fluid - available data, what *ebooks*; represent, under which specific conditions, and driven by which players and driving forces.

Instead of projections, we want to gather facts for snapshots, plus relevant context. Details, and facts on earlier developments in the surveyed markets can be found in previous editions of the *Global eBook* report, which will be made available at www.global-ebook.com.

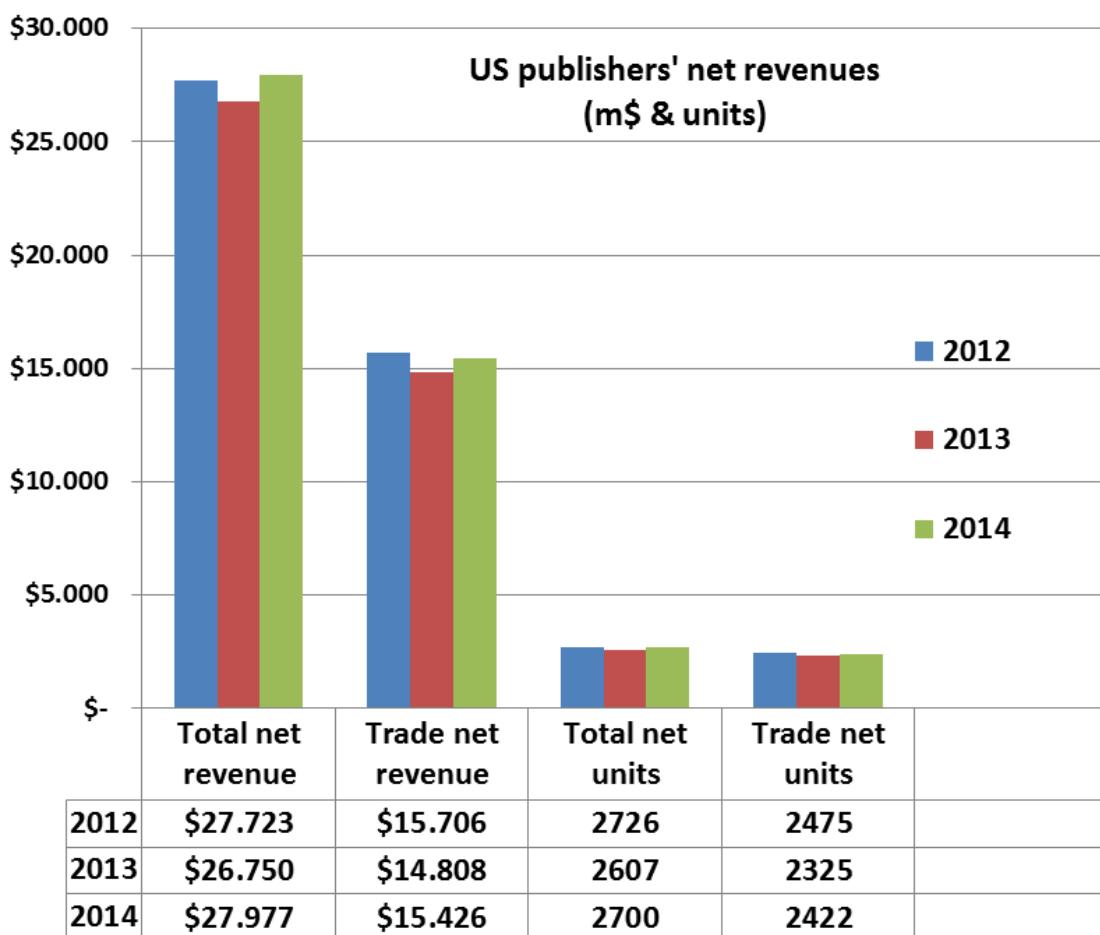
United States

"Flat is the new up" Len Vlahos

"Flat is the new up", the verdict of Len Vlahos in fall 2014, then the head of the American Book Industry Study Group (BISG), continues to apply to the US book market.

With revenues from trade publishing of \$15.4bn (2014, the last year with total revenues available, up 4% in value and in volume, after a decline of -6% in 2013), trade revenues showed good strength for US publishers, with children and Young Adult driving the increase (20.9% in revenue and 13.5% in volume for 2014 over 2013, similar to the previous year). (AAP StatShot, Jun 2015)

In 2015, the big news was the rebound of bookstore sales (up 7.5% in November, year on year, and +1.8% for the period January to November 2015, after a decrease of -4.5% in 2014), with notably independent booksellers, after a particularly strong holiday season, reporting an increase of 11% in 2015 over 2014. "The shop-local movement, good weather, and a strengthening economy boosted sales at a number of stores across the country", as Publishers' Weekly reported. ([8 Jan 2016](#); source for bookstore sales: US Census Bureau, quoted in [Publishers Weekly](#), 12 Feb 2015)



United States, publishing key parameters 2012 to 2014. Source: AAP

Overall, for the period of January to September 2015, trade sales were flat, with adult books slightly up (2.9%), yet children and young adult down -7.4%, with ebooks in that category down by a remarkable -44.8%. The

fastest growing format meanwhile continued to be downloaded audio, increasing 37.7%, to sales of almost \$160m in January to September 2015, from just \$60.5m five years earlier. (AAP StatShot, 3Q 2015)

In 2013, sales of print books had dropped by 2.5% in units, with adult fiction decreasing even by 11.2%. By format, mass trade paperbacks declined by 9.1%, while hardcover had been largely flat. (-0.2%, according to Nielsen BookScan, quoted in Publishers Weekly, 3 Jan 2014). The print book market had already declined by -5% in 2012, and -18% in 2011. (BISG) However, in volume, print sales have slightly recovered, by 2%, in 2014. ([Publishers Weekly](#), 2 Jan 2015)

In return, ebook sales saw a remarkable slide at the big houses and overall, with PW estimating the decline of digital sales at -11.8% at HarperCollins, and to -10.7% at Simon&Schuster. ([Publishers Weekly](#), 6 Nov 2015)

For January to October 2015, US ebook sales declined year-on-year by 12.3% overall, with young adult books hit strongest (-44.7%), followed by adult ebooks (-6.5%). Total trade revenues were up 2.5%. Downloaded digital audio books however rose 38.1% through the ten month period. (AAP StatShot, 2 March 2016)

These developments came after an already significant "plateauing" of ebook sales since 2012. Revenue from ebooks had increased by a mere 4.7% to \$1,582 million, after a decline by \$15m in 2013 over 2012, and account now for 27.2% of adult trade sales. Children's and YA ebook sales jumped by 33.6% to \$227 million (2013: 26.6%). (AAP StatShot, 11 Mar 2015; [Publishers Weekly](#), 11 Mar 2015)

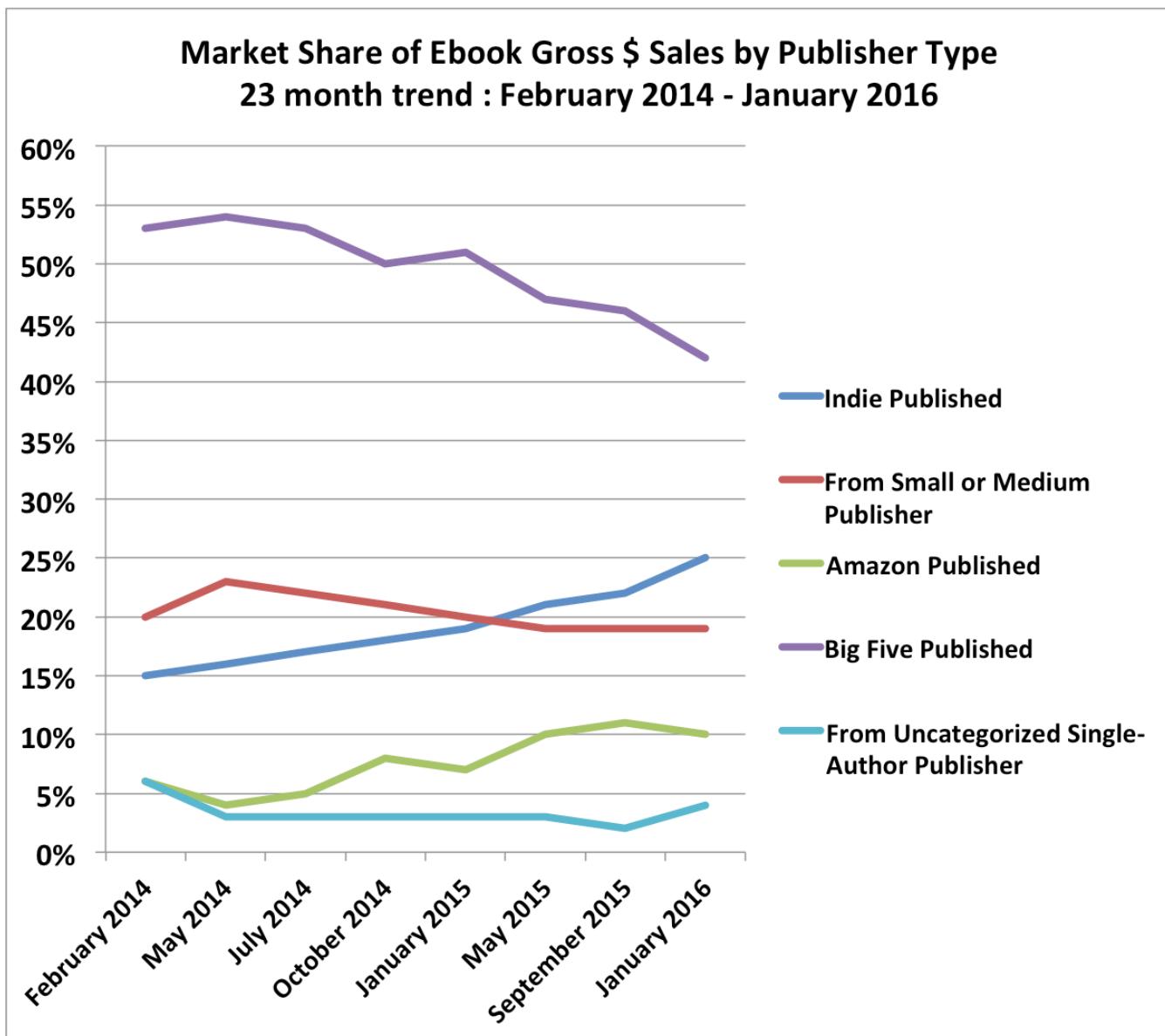
Overall, "the days of rapidly rising e-book sales, and plunging print sales, are likely over for the trade book market", reads the similar conclusion at Publishers Weekly in an analysis of sales developments of seven big publishers between 2011 and 2013. (Publishers Weekly, 25 Apr 2014). Overall, year on year, ebook revenue growth has fallen from 356% in 2009, and 199% in 2010 to 44% in 2012 and a slight decline of -0.7% in 2013.

To explain the stop in ebook growth, many observers blame the rise in prices for ebooks, resulting from the return of "agency pricing" - following the clash and legal battle in 2013 between major US publishing groups, and Amazon, resulting in a regime that has, once again, the publishers defining the retail price of a book, and not the retailers.

Author Earnings' analysis of the US ebook market evolution

A more complex, if not uncontested, analysis of the evolution of the American ebook market has been proposed by the [Author Earnings](#) initiative, which has been launched in early 2014 by self-published author Hugh Howey, and an analyst who goes by the pseudonym of Data Guy (or DG). Key to the approach is an extensive crawling of ebook titles and their sales rank on Amazon.com, and with the help of crowd sourced absolute sales information coming from contributing ebook authors, to convert rank into actual unit sales and earnings. For the most recent [report](#) of Author Earnings in February 2016, the methodology has once again been refined, and made transparent in the report.

The perhaps most controversial finding of the study is that over the past two years, "the market share of paid unit sales between indie and Big 5 ebooks has more than inverted", that is to say that the Big 5 - largest US publishing groups, Penguin Random House, Hachette, HarperCollins, Simon & Schuster, and Macmillan - account for only one quarter of all ebook purchases on Amazon. Titles from 'indie' - or self-published - author meanwhile have gained a market share of around 45%. According to the analysis of Data Guy, other surveys, notably those from AAP, do not fully acknowledge sales, in value and volume, from those independent, or self-published authors. This is strikingly illustrated by the continuously growing presence of those 'indie' title in the top selling segment on Amazon, as shown of the example of January 10, 2016, when for instance 10 of Amazon's top 20 selling ebooks, and more than half of the top 100, were in fact self-published.



United States: Market share of ebook gross \$ sales by publishers type. Courtesy by Author Earnings, February 2016 (www.authorearnings.com)

By early 2016, Author Earnings states, revenues from "indie published" ebooks, with an average price tag of between \$2.99 and \$5.99, have been rising steadily for two years, topping now ebook revenues from small and medium publishers. Revenue coming from the Big Five corporate publishers instead declined more and more rapidly, accounting now for little over 40% of all sales - and so despite their much higher price points of on average \$9.99 to \$11.99. Altogether, the study estimates for mid January 2016 daily ebook sales of 1,064,000 paid units at Amazon, worth \$5,755,000.

Overall, Author Earnings argues, referring to both their data and to similar statements coming from Amazon, "US ebook sales have actually gone up in dollar terms." Or, to phrase the same statement from a different angle, the study says that reports showing a plateauing, or even declining ebook market in the US refer correctly of such negative revenue developments for ebooks coming from the - particularly largest - traditional publishing enterprises. But this coincides with another, dynamically expanding sector, of 'independently' published ebooks, which is notably fostered through Amazon's channels, with Kindle sales, and further backed up by revenue coming from digital audio downloads and the subscription service of Kindle Unlimited.

Unintended by the Big Five publishers in their battle with Amazon over the "agency" pricing model, the shift that occurred over the past two years, the Big Five publishers not only lost market share to Amazon, but also help to increase a shift in revenue towards Amazon, and subsequently to the 'independent' authors who take

advantage of Amazon's marketing and sales muscle.

Key debates in 2015 and 2014

The "scuffle" (PW) over control of the ebook market, ignited in 2014, has well continued in 2015.

The defining debate over terms, had started in early May 2014, when Amazon had "begun discouraging customers from buying books by Malcolm Gladwell, Stephen Colbert, J. D. Salinger and other popular writers, a flexing of its muscle as a battle with a publisher spills into the open." ([New York Times](#), 8 May 2014, [Publishers Weekly](#), 9 May 2014)

The dispute broadened, as Amazon and Hachette released a series of public statements and open letters, accusing each other of harming consumers, and authors, with the latter launching a full page advertisement in the New York Times, and a website, for addressing the Amazon's board of directors, arguing notably: "We have made a great effort not to take sides. We are not against Amazon. We appreciate that Amazon sells half the books in the United States. But Amazon has repeatedly tried to dismiss us as "rich" bestselling authors who are advocating higher ebook prices—a false and unfair characterization, as most of us are in fact midlist authors struggling to make a living." ([AuthorsUnited.net](#), [The Guardian](#), 8 Aug 2014)

The stand off, opposing the world's largest online retailer, one of the biggest publishing groups, and two groups of authors, taking different sides, has gained world wide media coverage, well beyond the book community, and was understood as a power struggle over who is in control of the future of book publishing and selling, and even writing and reading books, at what was clearly felt to be a tidal moment for the entire sector. Author Hugh Howey, who had become a widely heard voice on behalf of self-published authors, commented in his blog: "Hachette is strong-arming Amazon and harming its authors because they want to dictate price to a retailer, something not done practically anywhere else in the goods market. It's something US publishers don't even do to brick and mortar booksellers. It's just something they want to be able to do to Amazon." ([Hugh Howey's blog](#))

In June 2015, finally, with Penguin Random House signing a new long term sales agreement with Amazon, all American Big Five publishing corporations as well as most major independent publishers had reach such an agreement.

The conflict had found a regional echo, as in Germany, as Amazon has negotiated and found a similar agreement with the local branch of Swedish Bonnier group, while a local movement of authors had launched a public campaign for what they describe as a 'fair book market'.

Consolidation, self-publishing, Barnes & Noble, Apple, exports

Perhaps the most surprising company news in 2015 was the closure of the much hyped New York based subscription service Oyster, triggering an international debate on the sustainability of current flat rate offerings. Also [Scribd](#) has started to limit downloads for its subscribers in quantity.

Amazon meanwhile continued to promote its Kindle Unlimited service in conjunction with a bundle of other services, including free and preferential shipments of goods, as well as video downloads from its catalog, while however changing its terms for royalty payments to publishers.

Self publishing continues to flourish and differentiate, throughout 2014 and 2015, with an output of 458,564 titles in 2014, up 17% over 2012, with 75% of titles coming from just three platforms, [Smashwords](#), Amazon's [CreateSpace](#) and [Lulu](#). ([Bowker](#), 8 Oct 2014) In 2015, the heated discussion broadened over estimates on the market share of self published titles, as compared to publications from conventional publishing houses. (For

details, see the chapters on ebook sales, on self publishing and on Amazon in this report.)

In the legal battle between Apple and the US Department of Justice (DOJ), the Supreme Court has rejected Apple's appeal. The Author's Guild in the meantime has also decided to take its case against Google's book scanning before the Supreme Court. (For a summary and ample references to the controversy, see [Publishers Weekly](#), 7 Mar 2016)

In early 2016, Hachette finally acquired the Perseus publishing group, while the distribution service of the formerly independent house was taken over by Ingram. A largely identical attempt in 2014 had initially fallen through. ([Publishers Weekly](#), 1 Mar 2016, and [Publishers Weekly](#), 3 Mar 2016)

In a move to gain access to the global market arena, US and UK focused Harper Collins, a subsidiary of NewsCorp, has acquired Canadian Harlequin for ca. \$415 million in 2014, a house which had been pioneering the transformation of a formerly niche genre of literature into a broad, self-confident segment of mass literature, with the help of building online communities for readers and authors, and taking advantage of ebooks for developing distribution and reading convenience. Harlequin has offices in 17 countries, releasing books in 33 languages ([Publishers Weekly](#), 1 Aug 2014)

At Barnes & Noble, the board has decided to "separate the Barnes & Noble Retail and NOOK Media businesses into two separate public companies" in order to stop the continuously struggling digital arm. (B&N, press release, 25 Jun 2014) Indeed, quarterly reports mirror a consolidation of the Nook business, by losing less money since Michael Huseby's reign as CEO, yet revenues almost halved since the division's peak performance in 2012, with a turnover of closed to \$1bn. (Jeremy Greenfield, [blog entry](#), 9 Sep 2014, at Digital Book World). Yet despite of various efforts to consolidate the slide, earnings reports from Barnes & Noble continued to be disappointing throughout 2015. ([Publishers Weekly](#), 3 Dec 2015)

Meanwhile, Apple seems to step up its ambitions as a platform for ebooks with its iBook store, aiming to becoming the second largest retailer for ebooks in the US - while the company is accelerating its marketing efforts in Europe, too. (Jeremy Greenfield, [blogpost](#), 24 Mar 2014, at Digital Book World; for Europe, see [Livres Hebdo](#), 19 Sept 2014)

In terms of channels, online accounts for 44% of all sales, including ebooks, according to Bowker. (In 2012, up from 39% in 2011, quoted in [DBW](#), 6 Aug 2013) 26% of publishers direct revenues are coming from online retail. (Value for 2012, AAP/BISG, BookStats 2013)

In 2013, revenues from online retail have for the first time topped those of brick and mortar sales, according to AAP/BISG, which provides a more in depth analysis on all these topics. In fall 2014, online sales were estimated to account for 35% of all book sales in the United States, as compared to 27% for 'jobbers and wholesalers', and 26% for brick-and-mortar. (BISG, presentation at the Frankfurt Book Fair, October 2014)

US exports of ebooks have recently shown a truly remarkable growth, of 63% in 2013 - as compared to 1.3% for print exports - highlighting the potential of digital in a more and more global context. (AAP/BISG BookStats 2013, as quoted in [Publishers Weekly](#))

A PEW survey on reading found a slight rise in reading, probably due to the spread of ebooks, with 76% of adults having read at least one book in the previous 12 months, with a vast majority of ebook readers also reading printed works, and only 4% reading digital only. Half of all adult Americans now own a tablet computer, up from 43% in September 2013, and 32% also have a dedicated e-reader. (Quoted in [Publishers Weekly](#), 16 Jan 2014)

However, recent changes in reading developments might be drastically different when looking at young readers, according to The National Book Foundation's BookUp organization: Half of those who read "for fun" at the age of nine, had stopped reading by the age of 17. (Summary by [Galleycat](#), 24 Feb 2015)

United Kingdom

"The book market is performing in almost exactly the wrong way." Philip Jones

"The book market is performing in almost exactly the wrong way", as Philip Jones noted in The Bookseller's review of 2015, continuing: "The big publishers are not gaining market share; the big books are not getting bigger; in 2014 it was the publisher that had the fewest "big" hits that performed most strongly." ([The Bookseller](#), blog, 16 Jan 2016)

Indeed, the market share of the three largest consumer publishing groups, Penguin Random House (with revenues of £357m), Hachette (£189m), and HarperCollins (£113m), in Britain accounted in 2015 for 43.9% of Nielsen BookScan's Total Consumer Market, which is the lowest value since records began in 2001.

Strongest performing houses included Pan Macmillan, Lonely Planet and Faber and Faber, as well as children's publishers and divisions (with the sector growing overall by 9.1%). Remarkably, the average retail price of books rose to £7.95, while discounts decreased to 23.9% on average. The print market "soared" by 6.6%, the first rise since 2007, helped by revitalized bricks and mortar retailers, successful direct to consumer marketing efforts, and solid exports.

Aside from the new E.L. James title, "Grey", the stunning novel "Go Set a Watchman" by Harper Lee, half a century after the author's debut, and certainly with the unseen craziness about colouring books, new strong trends included "clean" eating and "super foods", as well as a new variant of celebrity books from YouTube star authors.

For the first time since the beginning of the current digital age, ebook sales declined in volume by -2.4% for the top 5 publishers (Penguin Random House -0.4%, Hachette -1.1%, HarperCollins -4.7%, Pan Macmillan -7.7%, and Simon&Schuster -0.3%).

These numbers contrast strongly with records on the previous year. Three of the five largest publishing groups showed double digit growth in ebook volume for 2014 (Penguin Random House +20.9%, Harper Collins +29.1%, Pan Macmillan +10.4%, while Hachette had an increase of +7.3%, while Simon&Schuster declined by -0.3% in ebook volume). (Figures from Nielsen, based on point-of-sale information collected across sales channels always differ slightly from market data released by the Publishers' Association, but trends tend to be consistent. For details see, [The Bookseller, 30 Dec 2014](#) and [16 Jan 2015](#).)

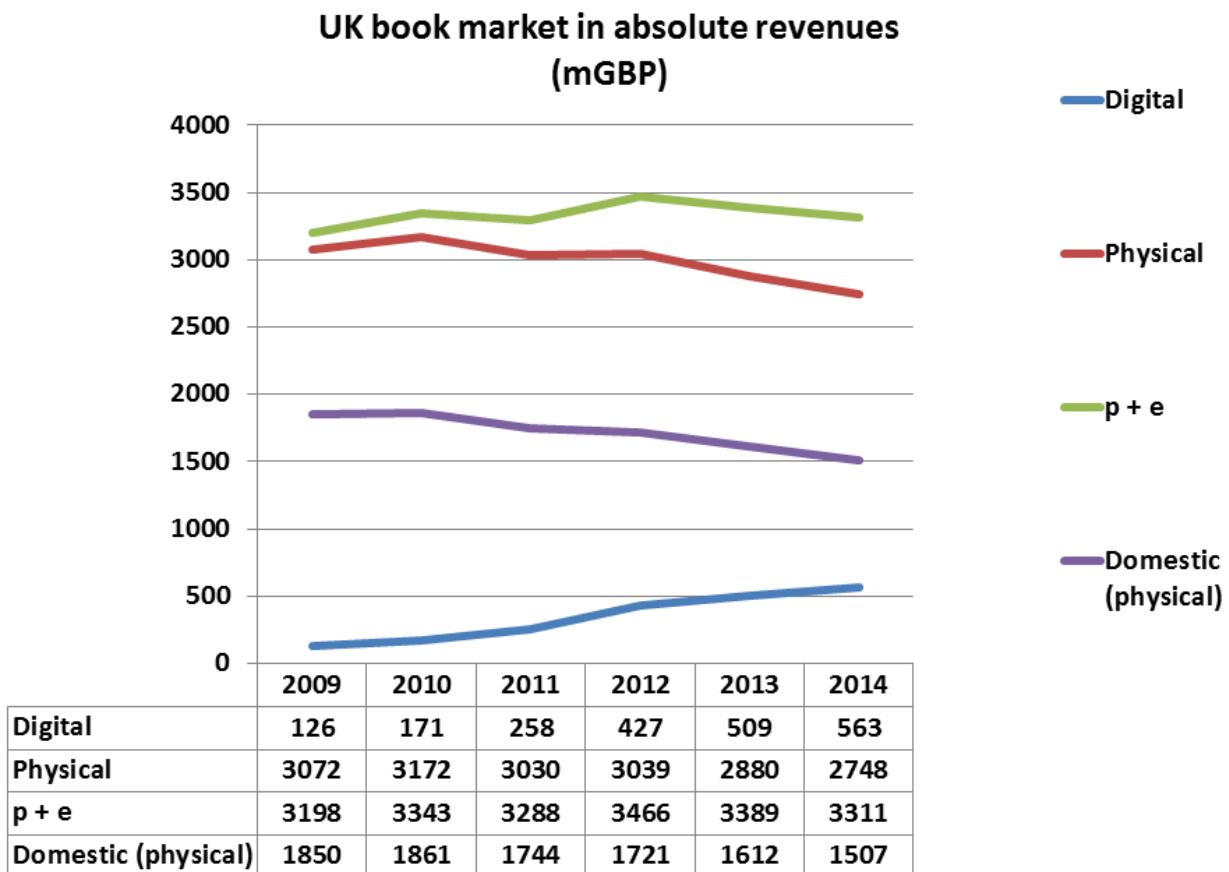
Over two thirds of UK publishers report ebook revenues to account for more than 10% of their total sales. For 41%, ebook revenues bring in more than 20% of all revenues. ([FutureBook Census 2015](#))

In overall value ebook sales are expected to have increased to an estimated £382m, according to The Bookseller, bringing e+p to total sales of £1.9bn, meaning that for the first time since 2012, a growth for the combined market. (Various articles by [The Bookseller](#)'s review of 2015)

In 2014, ebook sales had seen a rise of 15.3% in volume (after 18.2% from 2012 to 2013), to an estimated £373.6 million in value, or 21% of the total British retail market, as monitored by Nielsen.

With the data from Nielsen BookScan, as used by The Bookseller, and those used by the Publishers' Association (PA) coming from publishers, and being available only later in the year, the two sets of data tend to show differences, yet over time show very similar overall trends.

It can therefore be expected that with 2015, a long term pattern may have changed. Since 2007, records pointed to an overall decline of the British publishing market, with digital sales only exceptionally (in 2012) able to compensate for the loss in print, as shown in the following two charts, based on PA data.



United Kingdom, book market in absolute revenues, 2009 to 2014. Source: Publishers' Association

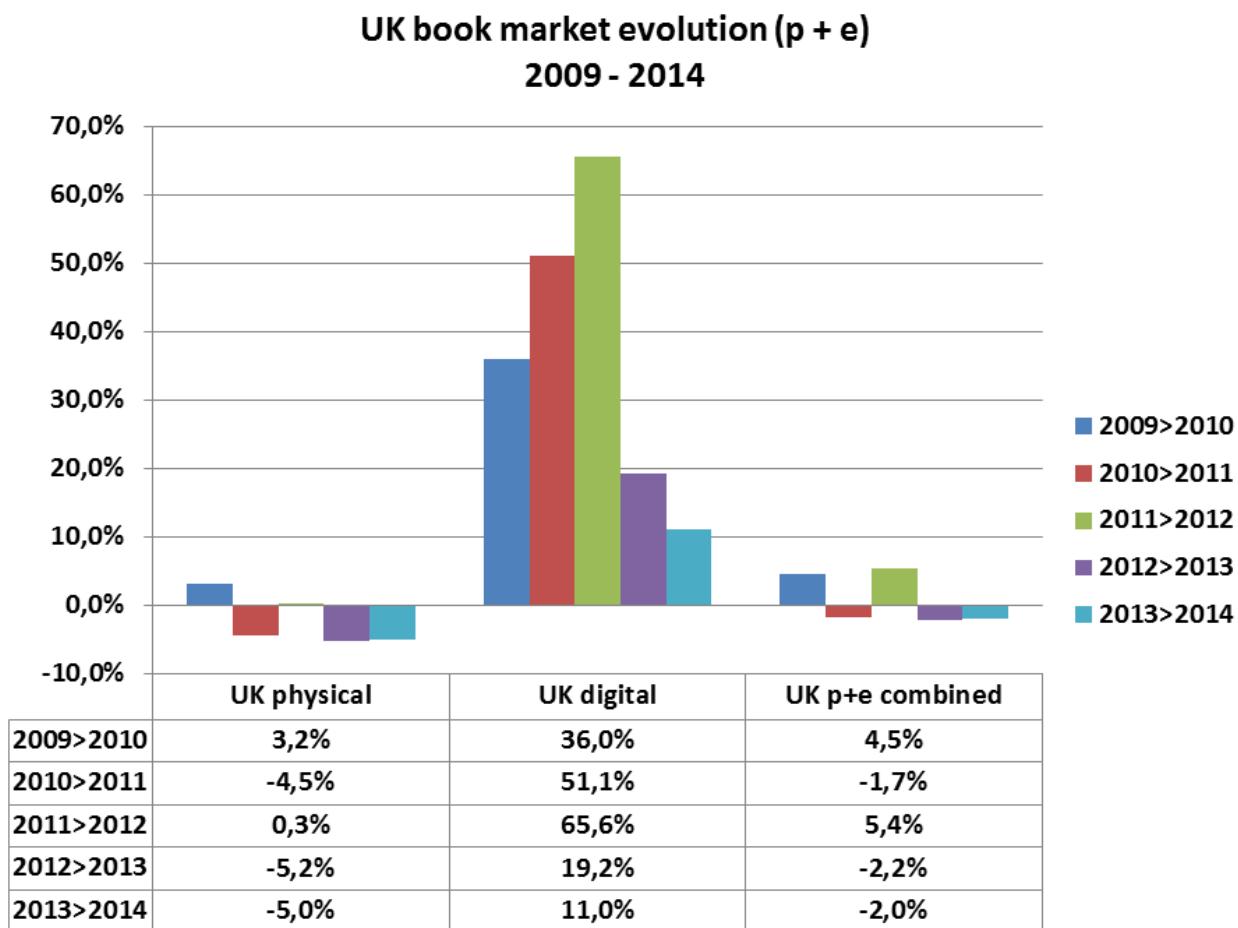
A reversal of these previous trending lines had started to emerge already to a degree in 2014.

But also the overall transformation of the retail market for books continued. "2014 also saw online spending on books overtake in-store spending on books for the first time." ([The Bookseller](#), 25 Mar 2015) By the end of 2015, the total had dropped to only 895 independent bookshops in the UK, down by 31 from the previous year, when for the first time, the number of independent bookstores had fallen under 1,000. Sales in supermarkets, notably Tesco and Salisbury continued their slide.

Waterstones instead, the largest book chain, had stabilized in 2014, and reported a first return to profitability in 2015. Foyles had opened a new flagship store in London in 2015. Bookshops gained market share for children's books, but books as gifts declined. ([The Bookseller](#), 24 Nov 2015)

Amazon is estimated to own 30% of print retail, between 70 to 80% in ebooks, resulting in a 40% share of the combined sales of print and digital. Apple's iBookstore comes in second (at 12%), followed by Rakuten Kobo (6%) and Google Play (6%). In September 2014, the online retailer opened its flat rate service "Kindle Unlimited" to consumers in the UK.

In devices, tablets (at 41.9%) had been seen to be overtaking the Kindle (at 37.9%), as the preferred reading platform as early as 2014. By 2015 however, mobile phones were found to top all other reading devices. ([FutureBook Census 2014](#) and [2015](#))



United Kingdom, evolution of ebook sales, 2009 to 2014. Source: Publishers' Association.

While the business of book seems to have stabilized, public libraries are caught in a deep budgetary crisis, with almost 50 closures in 214 alone, and most prominently the flashy Birmingham library, opened only in 2013, at an investment of £183 million, confronted with severe cuts in its budget and operation, as plans foresee to cut 100 of its 188 staff. (*The Bookseller*, [11 Dec 2014](#), and [10 Dec 2014](#))

The Warwick report, a study about the "Future of Cultural Value" in Great Britain, documented a significant, and ever more opening gap, between the more affluent, better educated, and least ethnically diverse-strata of British society, who also account for the lion's share in cultural consumption, while libraries - who predominantly cater to the disadvantaged groups in society - have witnessed a significant decrease in participation.

A new segmentation of cultural consumption based on Taking Part data shows that the two most highly culturally engaged groups account for only 15% of the general population and tend to be of higher socio-economic status. The wealthiest, better educated and least ethnically diverse 8% of the population forms the most culturally active segment of all: between 2012 and 2015 they accounted (in the most conservative estimate possible) for at least 28% of live attendance to theatre, thus benefiting directly from an estimated £85 per head of Arts Council England funding to theatre. The same 8% of the population also

accounted for 44% of attendances to live music, benefiting from £94 per head of Arts Council music funding. For the visual arts, this highly engaged minority accounted for 28% of visits and £37 per head of public funding. (The [2015 Warwick Report](#))

Similar shifts in reading habits, the reach of "book culture", and more generally, in the consumption of "culture" (in a more traditional definition, as cultural products and curated events) must be expected to form a pattern for all of Europe, and not just Great Britain.

These findings are echoed closely in a Nielsen survey, which identifies a "mid-teens reading dip". ([The Bookseller](#), 20 Oct 2015)

Part 3: Europe

Europe

Huge differences between markets, yet little data shedding light on those markets' evolution

The evolution of ebooks in non-English language European book markets is highly diverse both in terms of market penetration, and by showing significant differences in policy debates, expectations by various stakeholders, and overall market contexts.

However, while we can identify, and discuss, these differences by market, the lack of detailed data on what drives, or blocks, ebooks, is remarkable.

In some countries like Germany, ebooks have become a standard feature, at first appreciated by strong readers and by consumers of genre fiction, and with Amazon shaping that process as the market leader. In others, notably in France, both publishers and consumers seem not just to largely resist the emergence of ebooks as a new market segment, but to see a French cultural specific trait in their skeptical approach. In Scandinavia, ebooks had started initially through libraries, not online retail, while most recently, streaming platforms offering subscriptions at a flat fee seem to define largely how ebooks build a dedicated audience. In the smaller markets of Central and Eastern Europe, digital editions of domestic trade titles are confronting another set of specific barriers of entry. This includes the comparably high cost of investment required upfront, which makes it even harder to break even in a small market. Moreover, notably the well educated and more affluent readers throughout the region seem to embrace ebooks in a foreign language, notably in English, before or instead of picking up the local offer.

Overall, the increase of market share for ebooks has been slowing down significantly in 2014, or even stalled, as was the case in France and Spain. In most markets, genre fiction as well as self-published titles are the main terrain for ebooks. However, in some countries, notably in Germany and the Netherlands, ebooks have become popular also for front list bestsellers of general fiction.

Occasionally, print bestsellers have produced remarkable side careers through pirated ebook editions, hinting at a black market of considerable scope for digital books, that unfortunately is very difficult to assess in realistic detail by the sheer lack of solid data for comparisons across markets.

An extra challenge comes from the very limited overall availability of data, which often are inconsistent, with no clear definitions of parameters existing, and, with few exceptions such as Germany, collected only once per year.

Also, self-publishing has become popular almost everywhere, yet with close to no hard data or market evidence available, as was proposed for the US by the [AuthorEarnings](#) reports, or for the UK, recently, with Nielsen BookScan statement that self-published titles to account for 22% of the ebook market, in volume.

In Germany, [Selfpublishers Bibel](#) has released an educated guess putting self-publishing at 15% of value of all German ebook revenues. (Blog [post](#) by Matthias Matting, 15Jun2015; for details, see the chapter on Self-publishing in the section "Key drivers and debates" in this report)

For the following country close ups, we have been obliged, as in previous versions of the *Global eBook* report, to work with a wide array of highly diverse data sources, each based on different angles and measures. We could use some reports from UK based [Nielsen BookScan](#), as far as these figures have been made publicly available, which are representing real point-of-sale data that then have been extrapolated for the total market. Similar information is available for some markets from market research firm [GfK](#), yet often with other definitions of what is included, or excluded under the label of *ebook* or *digital* (notably whether only trade ebooks are included, or also online databases for professional information, or even digital audio downloads, or publications on CD-Rom and DVD.) The most basic figures on markets are often provided by national book trade associations.

In general, we focus on ebook market share from just the trade book market, but we can only underline that the resulting statistics are rather indicators for very general trends, than broadly authoritative, consistent figures, or truly comparable measures between countries.

The European riddle of different taxes for print and digital

A book is a product. An ebook edition of the same title, however comes as a license to the consumer. The reader does not *own* an ebook, but is granted the permission to use it, as a piece of software.

The important practical consequences from this magical riddle are twofold:

- In many countries, printed books have been privileged by governments by a reduced value added tax (VAT, or sales tax); for instance 0% in the UK, instead of the normal 25%, or 7% in Germany, instead of 19%; the reduced rate however does not apply to an ebook, which results in a hefty tax burden for ebooks in many (not only) European markets (for an overview of VAT policies on books, see the International Publishers' Association [here](#));
- A vendor who wants to cater to the entire (in theory: integrated) European market is confronting 29 different tax rates, which come with 29 different tax laws.

Ironically, both challenges are hugely discriminating those big and small local European actors which the European Union is supposed to foster, and make no big difference to their fiercest global competitors, like Amazon, Apple or Google who, in an economy of scale, can afford easily the complex logistics required to handling such oddities.

Also, the approach ridicules the [Digital Europe](#) strategy, cherished by the European Commission, which aims at making Europe more competitive in the global competition.

In a first move, some countries, like France or Spain, simply ignored the European stand point, and as a consequence were threatened by its administration, to comply in the paradox of enforcing different VAT rates for physical and digital, which however ridiculed the Digital Europe strategy.

After tedious negotiations, a compromise and perspective seem to have been found, that should allow to harmonize - that is: bring down - ebook and print VAT in the not distant future. (The official document on the VAT action plan [here](#))

Country close ups Europe

The order of country close ups is organized roughly by overall market size, yet with the exception of neighboring countries sharing one language figuring next to each other.

Germany

Germany: Key figures and parameters (Source: Börsenverein)

Market size at retail value	€9,332m	2014
Trade market	€7,868m	2014
Number of new titles and re-editions	87,134	2014
Total revenue from ebooks	€188m	2014
Number of ebooks sold	24.8m	2014
Ave. price of an ebook	€7.08	2014
Market share ebooks from total trade	4.3%	2014
Revenue share at key publishers in%	15-20%	
Fixed book price, extended to ebooks		

An unexpectedly low hanging glass ceiling for ebooks in Germany

For decades the German publishing market had seen steady growth, before confronting a reversal around the year 2007, leading subsequently to a steady slide. Losses were not disruptive for any single year, but from its all time high of € 9,614 million in 2008, at retail value, the German book market was worth just € 9,322 million in 2014. Despite that decline, production has remained strong, with 94,276 new titles and re-editions in 2008, as compared to 93,600 in 2013. Only by 2014, the output of German publishers has been significantly lower, at 87,134 releases - not including self-published titles, which have seen a steady rise though.

Ebooks have become a regular feature on the book market from around 2010, hence with a delay of perhaps 3 years to developments in the US or the UK.

By 2015, ebooks account for some 4.7% of all revenues in trade publishing - which does not include significant sales of digital downloads of audio books. As of 2012, those publishers actively producing and promoting ebooks have reported a revenue share of around 10%, which however had fallen flat by 2013, before the respective survey has unfortunately been discontinued by the German publishers' and booksellers' association, Boersenverein. Still, Boersenverein now releases a quarterly summary, tracking the ebook segment, documenting market share, overall revenues and a few more key indicators such as the average retail price of ebooks. (See [Boersenverein](#))

From 2014 on the three leading branches of international publishing groups active in Germany, Random House, Holtzbrinck and Bonnier, as well as several independents, such as Bastei Luebbe or Aufbau, claimed ebook sales to account for around 15% of all their trade revenues.

By year end of 2015 however, German trade publishers of all sizes and orientations agree, as seen from both trade media reports and from conversations conducted for this report, that overall growth of ebook sales has stalled, with just a few exceptions of individual titles, or sub-genres which can escape to the overall pattern, by building digital sales of up to half of their turnover.

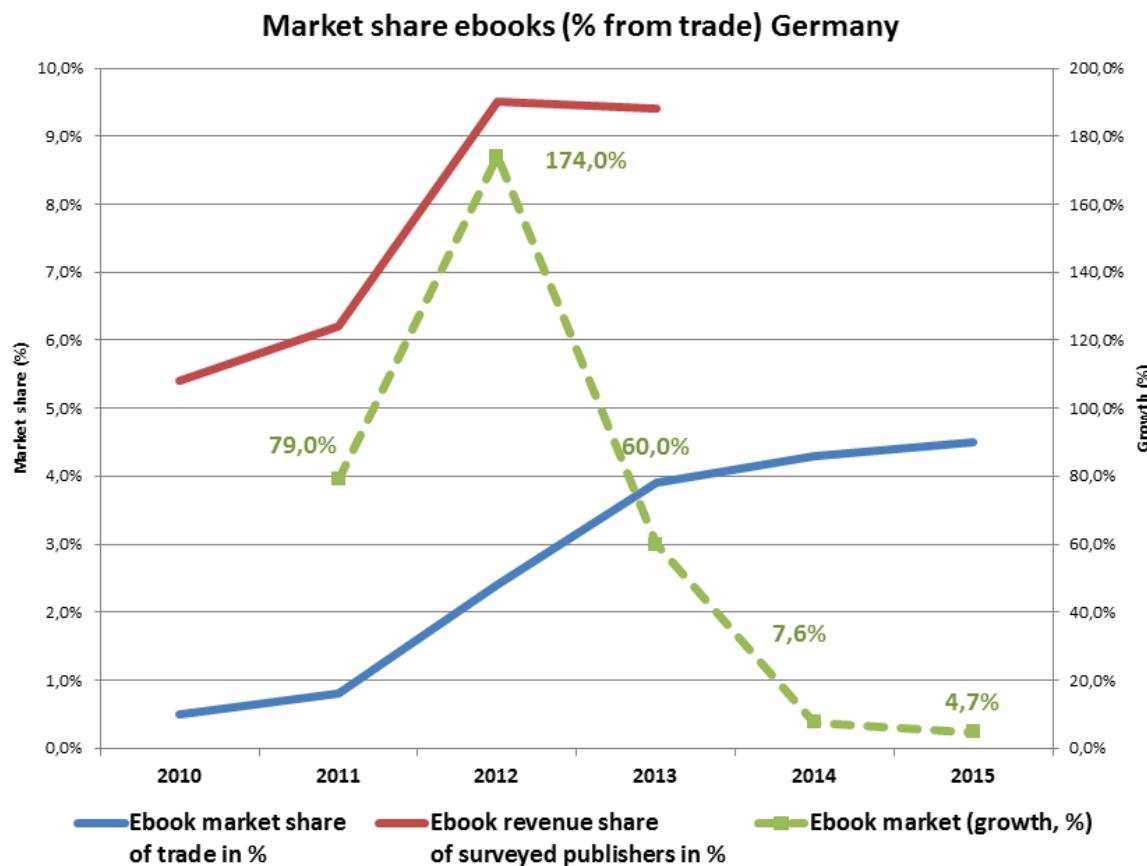


Germany, key developments in book retail, 2008 to 2015. Source: Börsenverein

Why the legal ebook market - at least with titles from traditional publishing houses - has seemingly hit an unexpectedly low hanging glass ceiling is widely disputed, with a broad consensus that more than one factor has to be taken into account.

First and perhaps foremost, ebooks are comparatively expensive in Germany, as many publishers' use the regime of fixed book retail prices, defined by publishers, to discount digital editions only by around 20% from the hardcover edition. The average price for a trade ebook, as recorded by Boersenverein was at €7.58 in 2014 (down from €10.40 in 2010). But a majority of titles which top the print bestselling charts have digital editions sold as price points above €15 - which obviously contrasts strikingly with a growing number of self-published literature, as well as other ebooks even from traditional publishers with price points set below €5, which particularly by 2015 have become a dominating feature not only on Amazon's bestselling charts, but those of other online platforms as well.

Ironically, the de-facto application of fixed book pricing for ebooks which is heavily promoted by Boersenverein, did not hinder the emergence of some kind of tough competition over pricing in the course of 2015. The most prominent model is in fact a fall out from Amazon's promotional campaigns of labeling certain titles, selected by the online retailer, as book of the day, week or month. Under the pricing law, the publisher of such a book is entitled to discount the book for a certain period of time, provided it registers the lower price one month ahead of the campaign with Boersenverein's title database. Some publishers, big and small, have learned to use this approach successfully to grow their overall digital sales, notably by adding similar promotion of the chosen titles at all other online retail platforms. But oddly enough, the regime of the fixed book price gives Amazon unintentionally the defining power over which titles get some extra boost, and which ones are held back. (For more details, see the chapter on "Pricing Strategies" in this report.)



Germany, ebook market evolution 2010 to 2015. Source: Börsenverein.

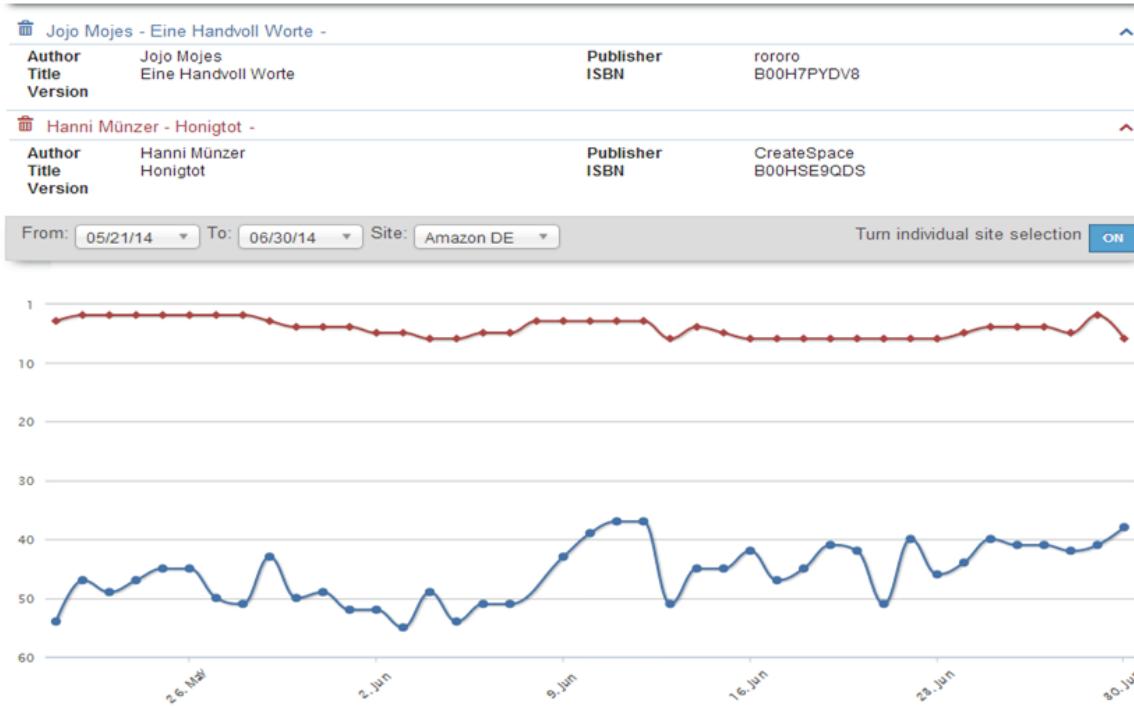
A second concern with regard to ebook sales records, and market statistics, is about the completeness of sales incorporated in the official data released by Boersenverein. In principle, these data are meant to include all purchases of ebooks, including self-published books (yet excluding digital audio downloads). However, these data are not recorded directly at point-of-sales, but instead compiled from a consumer panel, logging their purchases in diaries collected by the German market research firm GfK. (Information from Boersenverein for this report) Unfortunately, no paramount point-of-sale based book market data are currently available for Germany due to a quarrel between GfK (which works with consumer panels), and its competitor Media Control (which uses point-of-sale information, yet lacks any sales information from Amazon).

Self-published fiction notably has found a prominent place in the reading diet of the German audience, both in print and digital, yet again with little more than anecdotal, or at best punctual data based evidence available. According to one survey, 18% of consumers who read ebooks had already read a self-published title, and 11% of ebook readers had already published their own works in a digital format. ([BitKom](#), 30 Jan 2015)

Some local self-published authors have learned to build a huge fan base, again most often through Amazon and the various tools and channels that it opens to its self-published authors. One such example is Hanni Münzer who, with her debut novel "Honigtot" (published at Amazon's CreateSpace), could clearly beat over lengthy stretches of time even international author brands as Jojo Moyes.

Hanni Münzer / Jojo Mojes

Amazon (print) sales rank in May/June 2014



Amazon sales rank of two bestselling novels, print editions: Jojo Mojes: Eine Handvoll Worte (Rowohlt), and Hanni Münzer: Honigtot (selfpublished at Amazon), end of May to end June 2014.

With approaches such as that of Author Earnings in the US missing for any non-English language markets, it can only be guessed that sales developments, and performance patterns, between traditional publishers of various sizes, and various forms of self- or independently released titles are as complex in Germany, as they are in North America, with ample room for local specifics.

A third largely blind spot is the impact of piracy, and illegal downloads of ebooks in Germany - which we discuss at length in the respective chapter of this report.

Finally we must acknowledge that particularly the retail landscape for books, and for any media content, in physical and in digital formats, has started to shift deeply over the past several years, with consequences only partially measured and understood at this point.

In its ranking of the largest book retailers in Germany, the trade magazine buchreport has declared Amazon clearly to be the number 1, and so probably in all three German language countries, that also includes Austria and parts of Switzerland. With total reported sales of over €10 billion in Germany alone, as its biggest international market, Amazon sells books worth an estimated €1.5 to 1.8 billion - thus owning a little less than one fifth of the market. (One of every 8 consumer euros is spent online in Germany, say a report by the trade organisation [behv](#), 16 Feb 2016)

Its closest competitors are the book chains of Thalia (ca. €960 million), Hugendubel (ca. €390 million), as well as Weltbild (ca. €450 million), the ailing past challenger of Amazon, at least as an online retailer. ([buchreport](#), 26 Feb 2016) The drain of brick and mortar closures had peaked in 2014, as some 270 stores had been shut down, with a lost retail space of 20,000 square meters. ([buchreport](#), 3 Nov 2014)

By all available indicators, books and ebooks are not the strongest priority for Weltbild anymore. If one considers its filing for bankruptcy in late 2013, its change in ownership, followed by the closure of multiple shops, its layoffs and permanent restructuring.

As for ebooks though, Amazon has seemingly found a challenger with Tolino, an expanding consortium of retailers, including Thalia and Weltbild among others, who join forces and logistics with Deutsche Telekom as their technology partner, for bringing digital reading to readers in German language territories, and a growing number of other European markets. The Tolino concept and technology has in the meantime expanded internationally, signing up Italian's [IBS online retail platform](#) and [BOL](#), the market leader in the Netherlands. For more details, see the dedicated chapter on Tolino. Tolino is a sponsor of this report.

At the London FutureBook conference in November 2014, Tolino's Klaus Renkl had claimed for the first time that the German platform had even outperformed Amazon, with a market share of 45%, against 39% for Amazon, based on an (unpublished) consumer survey, based on interviews with 25,000 consumers over the age of 10, by market research firm GfK. For their presentation at FutureBook, Tolino had consolidated findings from this survey for all of the retail partners. (Clarifications collected from Tolino and GfK for this report.) Research by other ebook observers hints also at a steady growth for Tolino's ereading devices, notably after Sony closing down their ebook division, and after [www.ebook.de](#) of Libri, Germany's largest book wholesaler, had joined the Tolino alliance. ([AlleseBook](#), 15 Nov 2014, and [buchreport](#), 14 Nov 2014)

An chart tracking the overall web traffic drawn by those leading retail platforms, and as further context, some illegal competitors, is highlighting some of the complex dynamics in the competitive environment of book and other relevant content distribution in Germany over the past one and a half years.

3 major legal & 2 pirate platforms in Germany Web traffic Sep 2014 – Feb 2016



Germany: Page rank at 2 leading legal book retail sites (Thalia.de and Weltbild.de, and 2 pirate sites. Web analytics with SimilarWeb for this report.

With around 200 million monthly visits to its German site, Amazon - driven by all the merchandise it is offering - forms a category in its own right, dwarfing any other retailer or distributor. But aside from its clear peaks at the year end shopping season, overall traffic at Amazon does not show specific overall increase. Because of the huge gap in traffic to book, or mixed content, platforms, Amazon is not represented in the chart illustration the latter.

In the portrayed span of almost one and a half years, from September 2014 to February 2016, Thalia's web presence saw a slight, yet continuous decline, at well below 2 million monthly visits (or a mere 1 % of Amazon's traffic).

Weltbild, pushed by a costly media campaign for the holiday season of 2015 could produce a significant peak, but overall lost ground heavily since the past days when its ambition was still strong. A regional book chain as Osiander, of Germany's wealthy SouthWest, comes out as a niche player.

The picture would not be complete though without the context of two piracy sites. Pirat 1, b***e.to, is the leading German platform for across the board illegal downloads of all media - video, games, TV series, also software, yet with ebooks seemingly playing only a very minor role, according to our analysis from data gathered with SimilarWeb's toolset. In fact, Pirat 1 shows remarkably robust and continuous growth in the traffic it draws.

More offsetting for the book world however is probably Pirate 2, l***n.to, a site dedicated to books and (magazine and newspaper) reading. Its traffic volume at around 1 million visits per month is hardly increasing. But its level, which is primarily driven by users looking for (digitized) books, almost matches the traffic of Thalia, which comes from the combined crowd of all customers, whether they look for ebooks, or physical books. This, in a nutshell, illustrates well that the legal book trade actually misses out on a significant piece of the cake in readers, who specifically look for digitized books. (More on that in the respective chapter on Piracy in this report.)

Current German debates on authors, copyright and on the legal framework of the publishing business

A debate directly and indirectly linked to plans of a reform of copyright is going on in Germany, as well as on supra-national levels, such as the European Union, and various international platforms, for several years now, opposing publishers and authors.

In numerous declarations, each side is emphasizing a "threat" to "cultural diversity", the fair compensation of authors (and translators), and the business of books in its form that has evolved over roughly the past two centuries. While the debate clearly echoes all the transformation, and possible disruption, triggered by the combined forces of globalization and digitization, as they impact on any form of creation and dissemination of information and knowledge, regardless of a specific format or channel, group of actors or recipients, these driving forces of the conflict are not always clearly mentioned, as the debate rages on, using shortcuts and more or less hidden references in each stakeholders' approach.

On the European level, competitiveness between Europe and notably players from North America and Asia has been emphasized particularly strongly, notably by the initiative to forming a "digital single market", as promoted by the German EU Commissioner Günther H. Oettinger. (See the official [website](#) for a policy statement by Oettinger.)

Obviously, as book publishing is seen only as one content industry among many others, its representatives insist on keeping the specifics of their trade intact in view of risks coming from policies that integrate publishing with other media industries and their respective claims.

Recent calls of both author and publishers' organizations in Germany have been focusing much more on what is felt as immediate threats, or hopes. A proclamation of German trade publishers at their annual gathering in Munich in January focused on proposed legislation by the German government. The publishers' key demand was to be legally recognized as legitimate "rights holders", alongside authors. ([Münchner Erklärung der AG Publikumsverlage](#))

A ruling by the European Court of Justice in the so called Reprobel case, which was echoed by a German court, too, had found that only authors, and not their publishers, should be eligible for payments from collecting societies for royalties lost through photocopying and related practices of the dissemination of their works. In the past, authors had only received on average half of those payments, with publishers earning the other half of the collected money. (For a summary, see [rights.info](#), and [Der Spiegel](#), 12 Nov 2015) If implemented in Germany, the collecting society VG Wort could be obliged to reclaim those payments to publishers from several years retroactively, for redistribution among the authors. The amount to be returned could add up to several hundred million euros, which publishers would be required to return.

While the German Minister of Justice, Heiko Maas sided with the publishers in the Reprobel case, he was backing the interests of authors in a piece of proposed legislation that caused a similar uproar throughout the book community in Germany. To improve the bargaining position of creators, authors should be granted the option of claiming their rights on a work from a publisher after only 5 years, if they had from a competing publisher a better offer than what the original publisher was prepared to grant.

As the controversy with strict opposition from publishers gained momentum, several hundred writers and author representatives issued an [open letter](#) to leading representatives of the government, in protest against the proposition. To remain competitive in the digital transition of their industry, the authors argued, publishers had already significant investments to shoulder, so that such an additional burden might be counterproductive for both sides in the end. Moreover, said the authors, the proposition implied a non-existent conflict of interest between authors and their publishers.

The sheer nervousness of stakeholders in the publishing sector currently finds many triggers for concerns and anxiety, as is well illustrated by an advent of much smaller scale.

Bastei Luebbe, the independent publisher holding the German rights to several American blockbuster authors such as Ken Follett or Dan Brown, decided, for a marketing initiative, to grant Amazon permission for a free upload on reading devices of an old Dan Brown novel, "Illuminati". In no time, the publisher was confronted with an avalanche of over 300 protest notes from mostly booksellers who saw themselves 'excluded' by the publishers' move, followed by a conciliatory meeting that Boersenverein had called for in its premises. The combination of 'Amazon' and 'free' was more than what those booksellers had been prepared to tolerate. ([buchreport](#), 28 Jan 2016)

Earlier developments

Key facts on the crisis of German book retail in 2013/2014, and related developments

The most defining single event in this context was certainly the ongoing re-structuring at the [Weltbild](#) group, which once had claimed to account for some 18% of the German book retail market, and to be the second largest online sales platform for books, dwarfed only by [Amazon](#). After filing for bankruptcy in 2013, Weltbild's strategic alliance DBH with the [Hugendubel](#) was dismantled in early 2014, and in later re-structuring, some 67 Weltbild outlets have been sold off, leaving Weltbild with some 75 shops and a staff of 600 by early 2015. ([buchreport](#), 12 Feb 2015)

Anecdotal reports from German publishers hint at a significant loss in overall sales to Weltbild since its

failure, with no detailed data available as to what happened to the lost turnover and customers, and assumptions that most of it might have either gone to Amazon, or been vaporized from the book trade altogether.

[Verlagsgruppe Weltbild](#) used to form a group of 280 book retail outlets in Germany, Switzerland and Austria, plus Germany's second largest online platform for books, ebooks and other media, had formerly operated in a partnership with the book chain *Hugendubel* ([DBH](#)), with a combined sales volume of ca. €1.6 billion. The combined Weltbild and Weltbild plus stores plus the online sales had accounted for a total revenue of ca. €830 million.

Rapidly declining sales in the second half of 2013 led to a filing for bankruptcy in mid January 2014, and to an ending of the partnership with Hugendubel. Various media reports and comments identified as main causes for the failure the complicated ownership structure, but also an IT and logistics infrastructure which had never been fit to compete with a global player of the size of Amazon.

After cancelling a first offer for the acquisition of Weltbild in late spring at the last minute, the sale was finally going through in August 2014, to the private group of investors from [Droege](#) group, with over 50 outlets threatened to be closed. ([buchreport](#), 16 Jul 2014; see for more details on the bankruptcy filing, at [buchreport](#), on the split with DHB, see [buchreport](#); see also an overview of the complete German book-selling market, with profiles of the top 100 retailers in [buchreport Magazin](#), Mar 2014).

But also Thalia, the largest German book chain, had been on the block for some time, yet without finding a buyer, before its owner, the perfume and cosmetics retailer Douglas, decided to moderately modernize the book division. ([buchreport](#), 17 Dec 2014)

Apple's *iBookstore* is estimated to own between 10 and 15% of German ebook sales.

Deutsche Telekom meanwhile decided to close its own ebook and digital media shop, as did Sony, who only a few years earlier had been pioneering ebooks in Germany through their eInk reading devices. (Telekom: [Die Welt](#), 18 Jan 2014; Sony: [buchreport](#)) Thalia, Germany's largest chain book store, decided to suspend its digital distribution platform [buch.de](#) from the stock exchange, to adjust its strategy.

Amazon in Germany

Amazon could expand its clout, by an increase of 20.7% for revenues across all products in Germany in 2013, to \$10.5 billion, with books contributing an estimated €1.7 to 2 billion (\$2.3 to 2.8 billion), so that the Seattle based giant owns roughly one quarter of the online retail business in Germany. ([buchreport](#), 31 Jan 2014)

As stated above, only unclear or even contradictory assumptions exist on Amazon's estimated market share with regard to ebook sales in Germany.

In 2013, Amazon has pushed for its self-publishing services in Germany, and in early 2014 launched the *Prime* service as well as its own publishing arm. In fall 2014, Amazon is expected to launch its new ebook flatrate, branded *Kindle Unlimited*, in Germany.

The dispute that confronted Amazon in the US with the publishing group of *Hachette* on terms and discounts, spilled over to Germany in spring and summer 2014, when it became known that a similar struggle was antagonizing Amazon in Germany with the local imprints of the Swedish *Bonnier* group (with imprints including *Ullstein*, *Piper*, and *Carlsen*), the third largest publishing group in the country behind *Random House* and *Holtzbrinck*. While the controversy between the online retailer and the publisher evolved more discreetly at first, by comparison to the avalanche of open letters that had been exchanged in North America, the US author's stepping into the controversy was instantly echoed by a similar initiative that had well over 1,100 German writers signing their own letter to Amazon at [www.fairer-buchmarkt.de](#), by intentionally quoting extensively from the movement triggered by Christopher Preston in the US. The manifesto of the authors was even backed

by Monika Grütters, state minister for culture in the German federal government.

The momentum of the controversy in fact could build on earlier developments that had brought Amazon critical media coverage, as well as opposition from the traditional actors of the German book sector.

In Bad Hersfeld, at Amazon's largest logistics center in Germany, unions and the management clashed several times throughout 2013 over wages, resulting in several strikes, as well as Amazon's policy of avoiding taxes in large European markets by transferring profits to European headquarters in Luxembourg were critically discussed in German media. ([Der Spiegel](#), 20 Jul 2013, and [FAZ](#), 12 Jul 2013)

Independent booksellers as well as chains responded with several initiatives of their own. A "buy local" campaign has found support from over 90 retailers and was broadly echoed by the media. ([Börsenblatt](#), 13 Mar 2013)

For more see the chapter on Amazon in this report.

Self-publishing in Germany

Self-publishing has taken off in Germany recently both in popularity among authors and in recognition as a valid way to release professionally works of various formats, segments, and ambitions. Several dedicated platforms could extend their scope and reach, including [epubli](#), owned by the *Holtzbrinck* group, and independent [Xinxii](#). Numerous service providers have also started to enter the widening market niche (for an overview see [buchreport](#), 19 Jul 2013).

As early as 2012, Amazon announced that a title, authored by Jonas Winner, for the first time had sold over 100,000 copies in the German Kindle Store, and new bestselling titles continue to emerge from its Kindle [Direct Publishing author service](#). In 2013 and 2014, a number of hugely successful self-published authors have found, and extended, their specific audience, like *Hanni Münzer*, who, with her romance novel *Honigtot*, has followed the strategy of embedding her writing into a well crafted, intimate communication with her readers through the by now well tested digital tools and communities. (For a portrait see [FAZ](#), 9 Jul 2014).

For more see the [Chapter on Self-Publishing](#).

Discussions on ebook lending and VAT on ebooks

A much less public discussion over ebook lending schemes opposes traditional publishers, represented through their trade association Börsenverein, with libraries, and at least some new ebook ventures. Public libraries see it as one of their core responsibilities to organize an easy access to ebooks for their audiences, while publishers would clearly restrict their ambition to low-income target groups, arguing that extensive lending rights would "endanger" commercial business models for ebooks altogether. (For Börsenverein's perspective see [buchreport](#), 17 Apr 2014; for an account highlighting the libraries' arguments, see [Carta](#), 11 May 2014; for the point of ebook ventures pro extended lending rights see [buchreport](#), 4 Jun 2014).

The debate on applying to ebooks the same reduced VAT rate as printed books (of 7% instead of 19%) has received momentum by the federal government's plans to allow just that. ([buchreport](#), 29 Apr 2014) But only a few months later, the Ministry of Finance issued legislation obliging publishers and retailers to apply a split VAT rate to ebook and print bundles, making that combination largely impractical. ([buchreport](#), 17 Jun 2014)

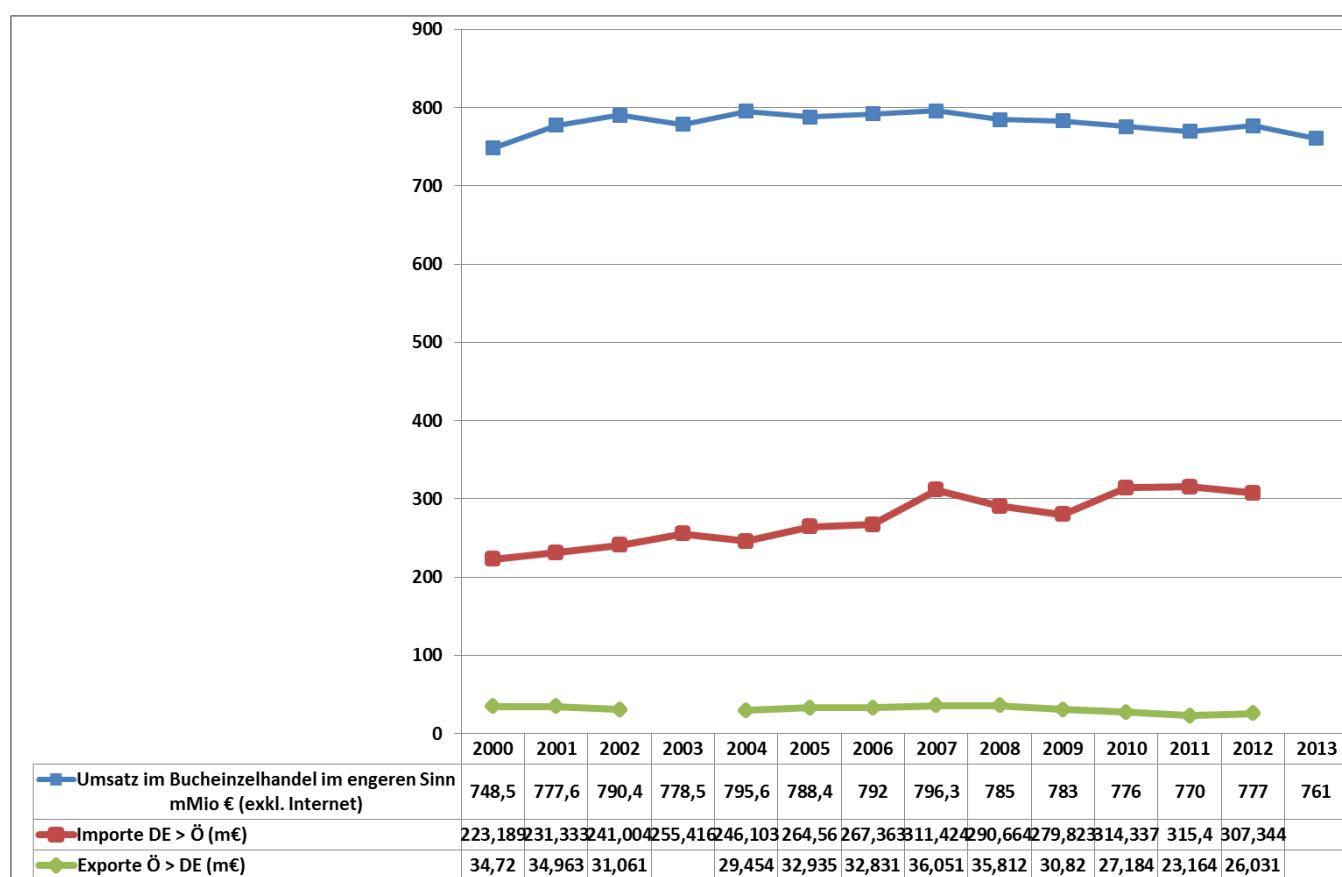
The contradictory situation illustrates once again the inability of Europe to formulate, and apply, a legal and financial context for encouraging, and accelerating any meaningful digital strategy for its member states.

Austria

With a population of 8 million, most of whom speak German as their first language, Austria has a book market and a publishing sector with close ties to the big German neighbor. Austrian literary writers have had a high profile in *German* literature for over a century. Austrian publishers in their majority are either fairly small, with many having revenues of less than €5 million - or belong to German parent companies, notably in the segments of education and professional publishing. Books from German publishers by far those from local publishers, who traditionally consider it as a difficult exercise to succeed on the German market.

Retail is dominated by the German Thalia chain and by the German branch of Amazon, with only a few regional Austrian chains, plus local independent booksellers competing.

Overall, the Austrian book market was largely flat over the past decade. However, imports from Germany showed continuous gains, while Austrian exports into Germany have stalled, or even declined, so that overall the market share held by domestic Austrian publishers must have been shrinking considerably (yet with no exact figures available).



This pattern of a small domestic market coming under pressure through expanding imports from the *big neighbor* is a familiar feature known from other markets where a small country has to co-exist with a much larger neighbor, and both sharing the same language.

The ebook segment in Austria can be expected to be largely similar to Germany, with no recent specific data available. Ebooks have been estimated at a market share of around 5% for 2013. ([Der Buchmarkt in Österreich 2014](#), last available survey by the Austrian trade association Hauptverband, with no data on digital released for 2014) Austrian publishers offering ebook editions of their new titles have them distributed primarily by the well known German and international platforms and aggregators.

Contributed article Tolino

tolino whitelabel ecosystem

tolino eReading solution for booksellers

Since its launch in 2013 tolino has firmly established itself as an attractive brand for eReading. What started in Germany, where tolino has gained a solid marketshare of over 40% of the eBook market, attracted more and more booksellers and now became a pan-European solution.

Deutsche Telekom AG is behind the tolino technology and innovation used by booksellers in meanwhile 6 European Countries, including e.g. IBS and Libraccio in Italy, Standaard Boekhandel and Club in Belgium, Libris Blz. B.V. in the Netherlands and Thalia, Weltbild, Hugendubel, Libri, Mayersche and Osiander in Germany or GSA.

Booksellers who trust tolino receive a complete and strictly whitelabel technology setup to enrich their own eCommerce platform with an eBooks catalogue, distribution system, eReaders, Apps, Webreader and individual cloud service for their customers.



Enabling independent booksellers with tolino

Next to enabling larger bookselling chains the tolino solution also is available for smaller and independent booksellers.

In Germany the Libri "Meine Buchhandlung" and in Italy the Emmelibri "INDleBOOK" service now already enabled hundreds of smaller booksellers with a state of the art eReading offering based on the tolino Ecosystem.

Combining physical and digital book offerings

tolino is designed to integrate into the existing eCommerce shop of a bookseller – enabling him to offer digital and physical books from the same platform. Users then have the choice to purchase the printed book or the eBook version. Thus preventing customers from having to walk away in search of a decent digital offering – and eventually starting to buy their physical books elsewhere, too.

tolino means digital reading at its best

Booksellers who integrate the tolino Ecosystem receive a comprehensive solution for digital reading. It includes all aspects of a high end eBook experience for their customers. Attractive devices such as eReaders and tablets, eReading applications for Android and iOS, html5 browser based reading, a huge and growing international eBook catalogue, versatile backend functions and a customer cloud service that enables users to synchronize their digital library across all devices and apps they use.

Proven solution with international footprint

The tolino alliance is offering international partners to introduce the successful tolino model in their own markets. To date tolino is present in 6 countries with about 26 different bookselling brands and with a growing eBook catalogue of currently well over 2 million unique titles from about 300 international publishers and aggregators.



Next to the technology of tolino booksellers also receive a strong and well renowned brand. Furthermore marketing support is available that ranges from presentation furniture, campaign material, market research, training programs, flyers posters etc. When it comes to licensing eBook content the central partner of the affiliated booksellers, tolino media, is responsible for the acquisition of content and royalty handling (EDItix) and can help you to build up your eBook offering.

To date consumers can find tolino presented in 2,000 bookstores already and tolino partners can benefit from a positive and fast growing brand awareness and have access to new features and eReading devices being launched regularly.

Booksellers in search of a solid digital reading offering based on tolino should contact Deutsche Telekom AG ePublishing.



whitelabel eReading Ecosystem

proven success model designed for booksellers



tolino[®] tab 8'
Tablet



tolino[®] vision 3HD
eReader



tolino[®] shine 2HD
eReader



PC
Internet Explorer
Chrome
Firefox



MAC
Safari
Chrome
Firefox



Android
Chrome
Browser



iOS
Safari

powered by



France

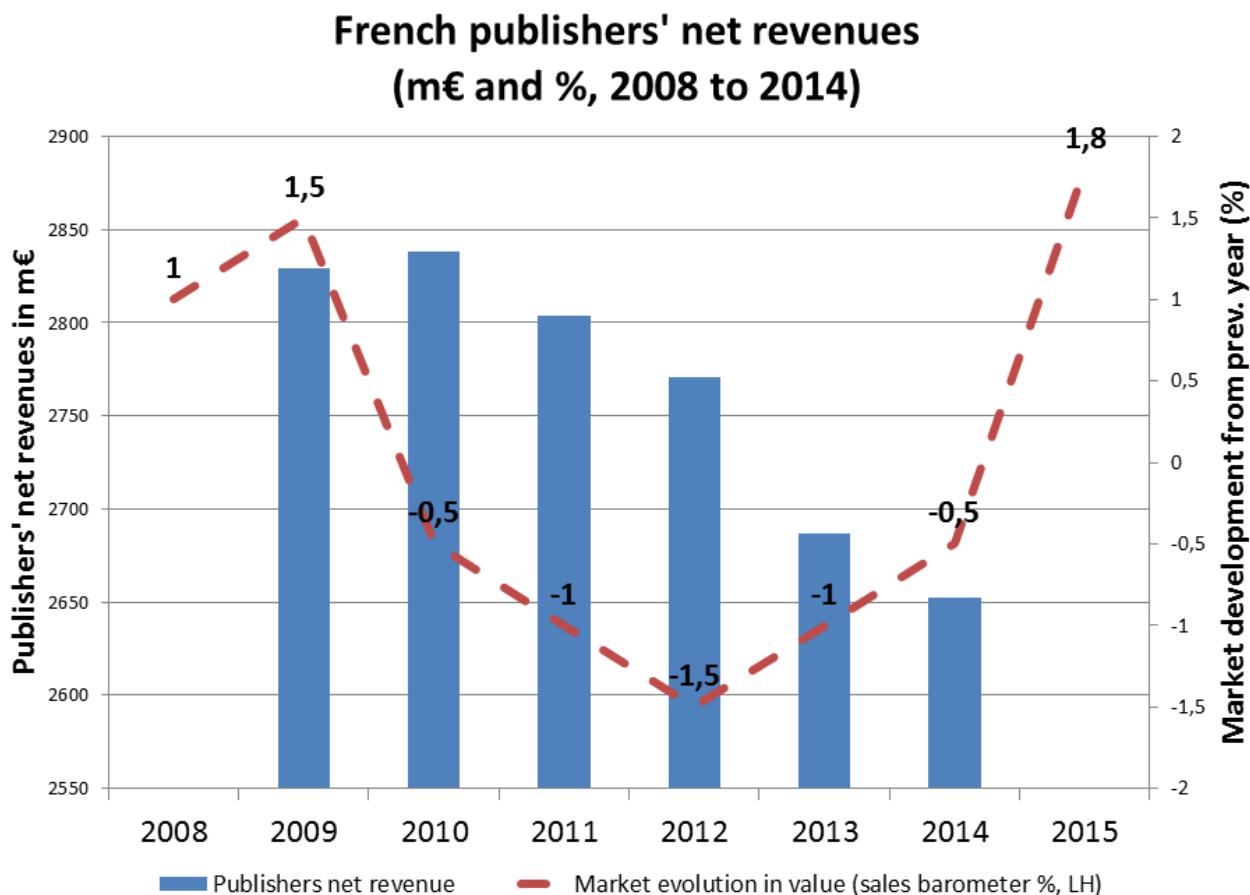
France: Key figures and parameters (Source: SNE and other)

Trade market	€1,734m	2014
Publishers' net revenues	€2,652m	2014
Number of new titles and re-editions	76,287 (2015, BNF) 98,306 (2014, Electre)	Source: Electre/Livres Hebdo and BNF
Total revenue from ebooks	€161m	2014 (incl. €144m downloaded and €17m physical support; source: Baromètre SOFIA/SNE/SDGL)
Growth of e-sales (y-o-y)	53.3%	2014
Ave. price of an ebook	€7.70	2014
Market share ebooks from total trade	6.4%	2014, Baromètre (5.7 %, when excluding audio books on physical supports like CDs)
Revenue share at key publishers in%	ca. 10%	Questionnaire for this report
Number of ebooks (in ePub) from publishers	83,000	Mid 2015, at Electre title database
Fixed book price, extended to ebooks; VAT 5% for print, and 20% for digital downloads.		Reduced VAT contested by European Court against earlier French application of 5% VAT on ebooks. See SNE

2015 - a reversal, after years of decline! Vincent de Montagne

After struggling for five years against a decline, the French book market has seen a reversal in 2015, and so despite the shock waves caused by Islamic terrorist attacks in January and in November of that same year. This was the central message shared by Vincent Montagne, publisher of Média Participations, and president of the French publishers' Association, SNE, at a New Year's reception.

While final numbers are still not available, a generally trusted annual sales barometer indicates at an overall rise of 1.8% year on year for 2015 against 2014. The good news came from an outstanding rise of 12% in comic books ("bande dessinée", a genre particular popular in France, which was fueled further by the clear number one bestseller of the year 2015, a new volume of the French Gallic hero Asterix - "Le papyrus de César" - at 1.6 million copies sold magically outperforming *Fifty Shades of Grey* at 613,500), with fiction (or general literature) up 3.6%. School books dropped by -6.3%. New titles accounted for 57% of all sales, while books released two and more years earlier generated a remarkable 31%.



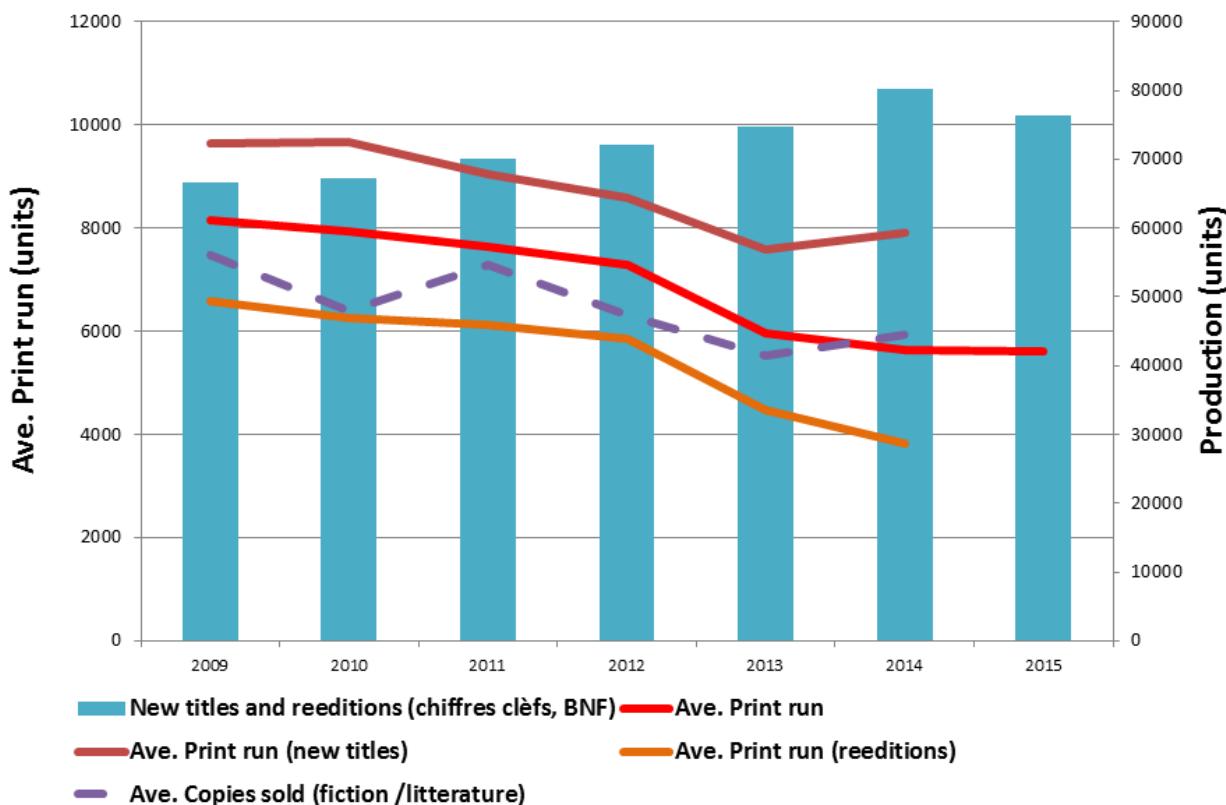
France: Book market key parameters, 2008 to 2015. Source: SNE and LivresHebdo/Electre.

The largest retail groups, like Fnac, spearheaded the rise, being up 3.6%, clearly above what smaller bookshops had seen. This development echoes the strong performance of Fnac, as the leading French based retail chain for 'cultural products', after overcoming a structural crises only a few years ago. A panel of 150 independent booksellers surveyed by GfK recorded an increase in sales of 2.7%. (Various reports, notably [Livres Hebdo](#), 29 Jan 2016, on a *Livres Hebdo/I+C* survey, and a GfK Observatoire, summarized in [Livres Hebdo](#), 17 Mar 2016)

The upbeat mood gets clearly a more cautious reading if a more detailed perspective is taken, notably when portraying the French book market in a context of a few years of history.

The good performance in 2015 must be seen before the backdrop of an ever rising production of new titles and re-editions, which had brought down average print runs for books significantly over the years, notably also in the segment of general literature (fiction), opening a widening gap in profitability. Again, 2015 was the first year seeing a reversal, as new releases have gone down for the first time in years, according to otherwise diverging statistics published by SNE (based on data from the national library, BNF, and of Electre, the commercial title database which owns the trade magazine *Livres Hebdo*. Other sources, notably GfK, have released slightly different figures, but consistent with the overall trends of recent years.)

France: Title production and average print run 2008 - 2014 (units)



France: Title production, 2009 to 2015. Source: SNE and LivresHebdo/Electre.

With almost half (45% in 2014) of French adults using the web for reading digital editions of newspapers or books, and as in many countries, with early adopters being in their majority (53%) more affluent and culturally interested than the average population, France user habits resemble those of its European peers. (Baromètre Syntec Numérique – [BVA](#), 13 Feb 2014)

Sales of digital books are more delicate to assess, not the least as only very limited - annual - statistics are available, and a broad and continuous flow of articles portraying France as the big exception to digital growth in English language markets.

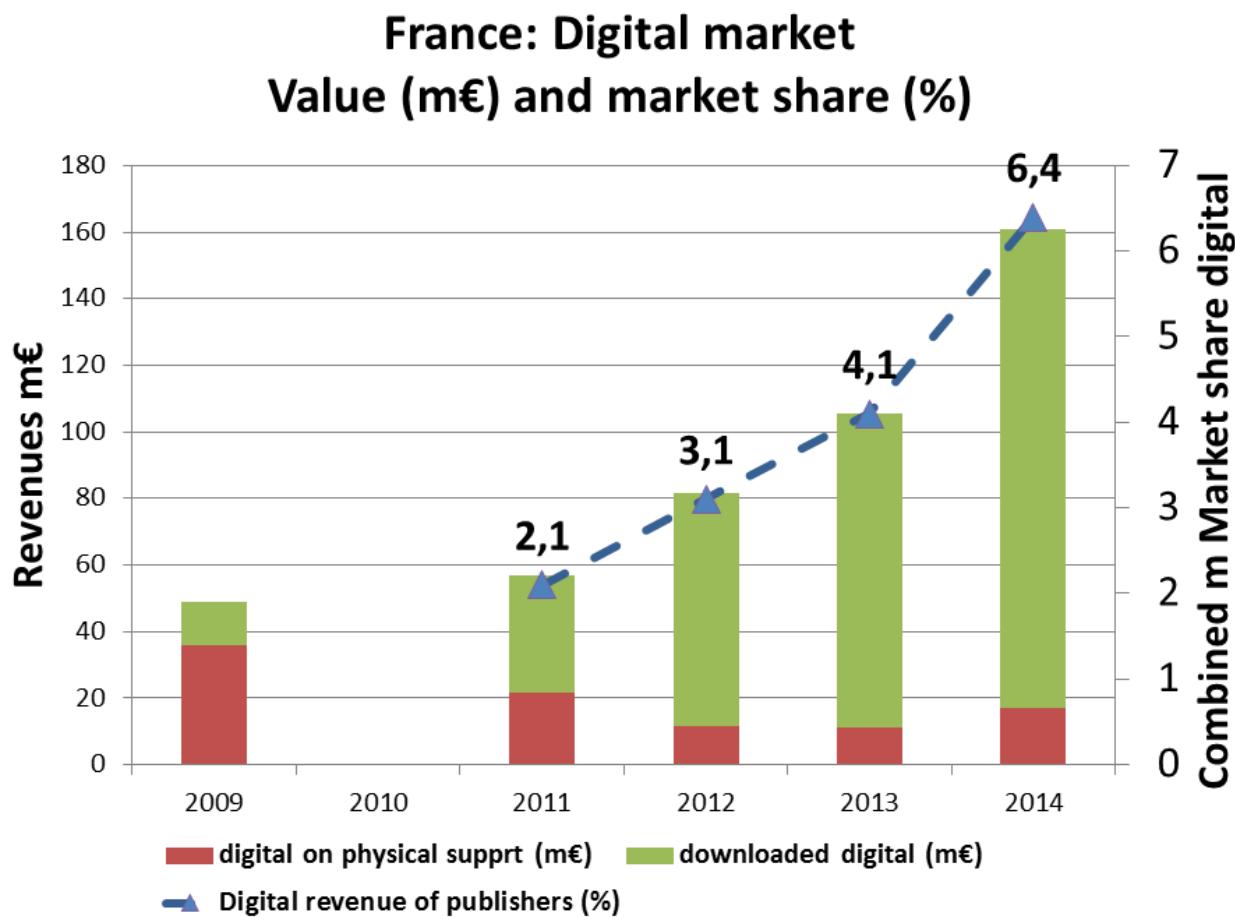
Most publishers do not publicly share specific information on ebooks. One exception is Editis, the second largest publishing group in France, which is owned by Spanish Planeta, Marie-Pierre Sangouard, Editis' director of digital strategy and marketing, who summarizes in an interview for this report: "The ebook is not dead in France." Overall, French average growth of traditional publishing in digital revenue has certainly slowed down from over 100% in 2013 to around 20% in 2015, and led, as in most markets by selected sub-genres in fiction, like romance, or crime, where ebooks can account for up to 15 to 20%, depending on series and titles, and up to 8 to 15% of revenues respectively, and with a global fiction segment found somewhere between 8 and 10%.

All these numbers, however, do not include revenues from self-published titles.

These observations pretty well are echoed by those overall numbers which are available. In 2014, the last year of full numbers made public for the total French trade market, the annual increase in digital recorded was 53% over the previous year, adding up to an overall digital market worth € 144.2 million, or 5.7% of all trade revenues from books, sees France lagging behind only a little, by comparison to Germany, for instance. Over the past years, reports signal a fairly continuous growth curve, as well as, in the early years of 2009 to 2011), the

expected decline of digital publications with a physical support (e.g. CDs or DVDs), to the benefit of downloaded ebooks. (Some more specific analysis to what is currently limiting the French ebook evolution are discussed in the chapter dedicated to '*Pricing strategies*' in this report.

"Ebooks are not dead in France." Marie-Pierre Sangouard, Editis

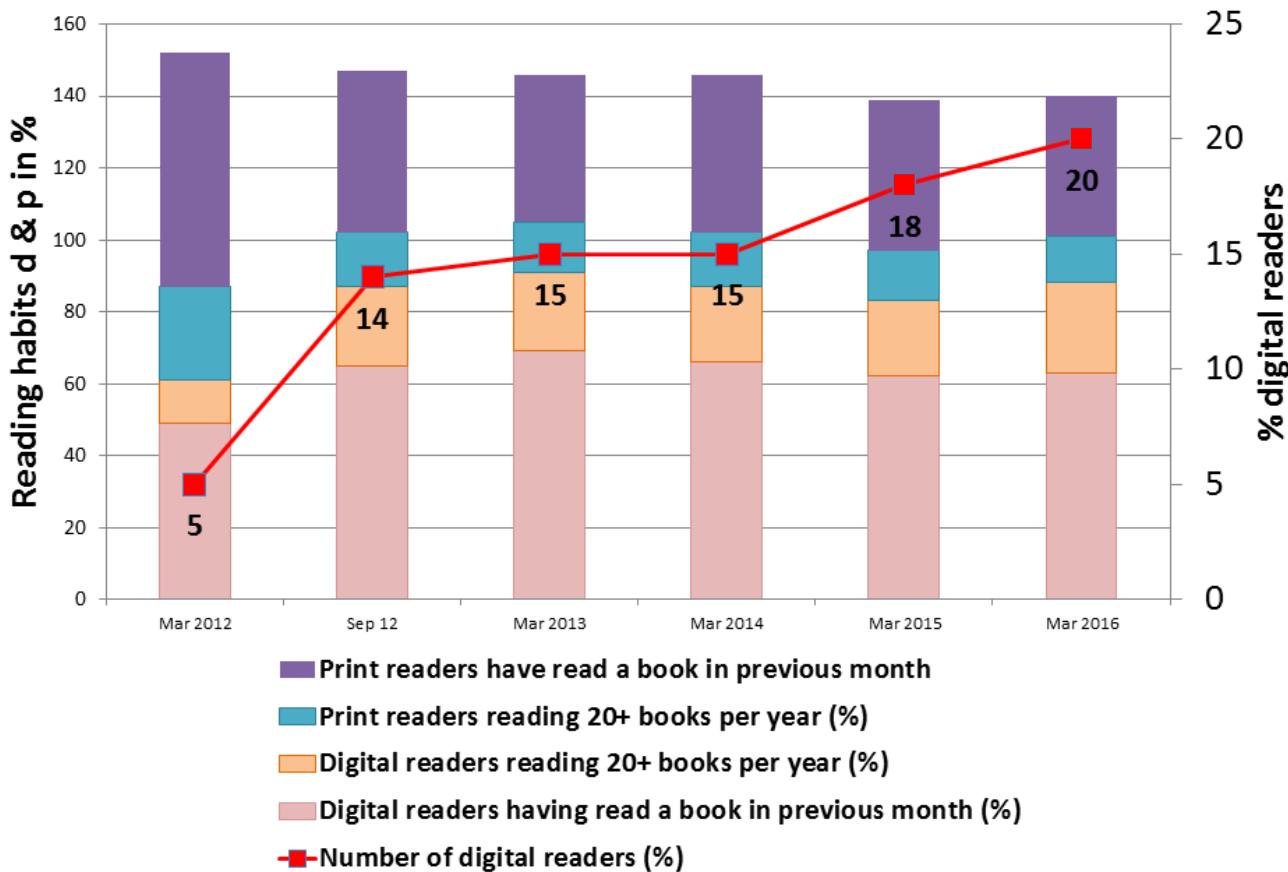


France: Ebook development, key parameters. Source: SNE and GfK.

As these economic market data are published only by summer of the following year, it is very difficult to assess the performance of ebooks in 2015. But information from different sources does in fact not point to a flattening, or even a reversal, of the upward trend. In a joint effort of several professional organisations, namely the French publishers' association SNE, backed up by the book professionals society SGDL, and Belgian SOFIA, based on a survey on a 2000 strong representative cohort of the French population, allows a fairly clear understanding of French language digital readers and audiences. (See [Baromètre Sofia](#), SNE, SGDL, and for the March 2016 update, see [Scribd](#))

The number of digital readers has grown continuously to 20% of all readers, with similar to most other countries, the strong readers being over-represented in the digital cohort. As of today, this target audiences seems to have been reached by the digital offer to a certain point of maturity.

France: Comparing readers of print and digital (2012 to 2016)



France: Evolution of digital reading audiences. Source: Baromètre SNE, SGDL, SOFIA 2016.

Device preferences have been remarkably steady among the interviewed French readers, with dedicated e-readers being the gadget of choice for around almost 90%, and those accessing their books with a tablet declining to 58% in 2016 (from over 80% three years earlier), and a solid 27 to 30% using their smartphones for reading.

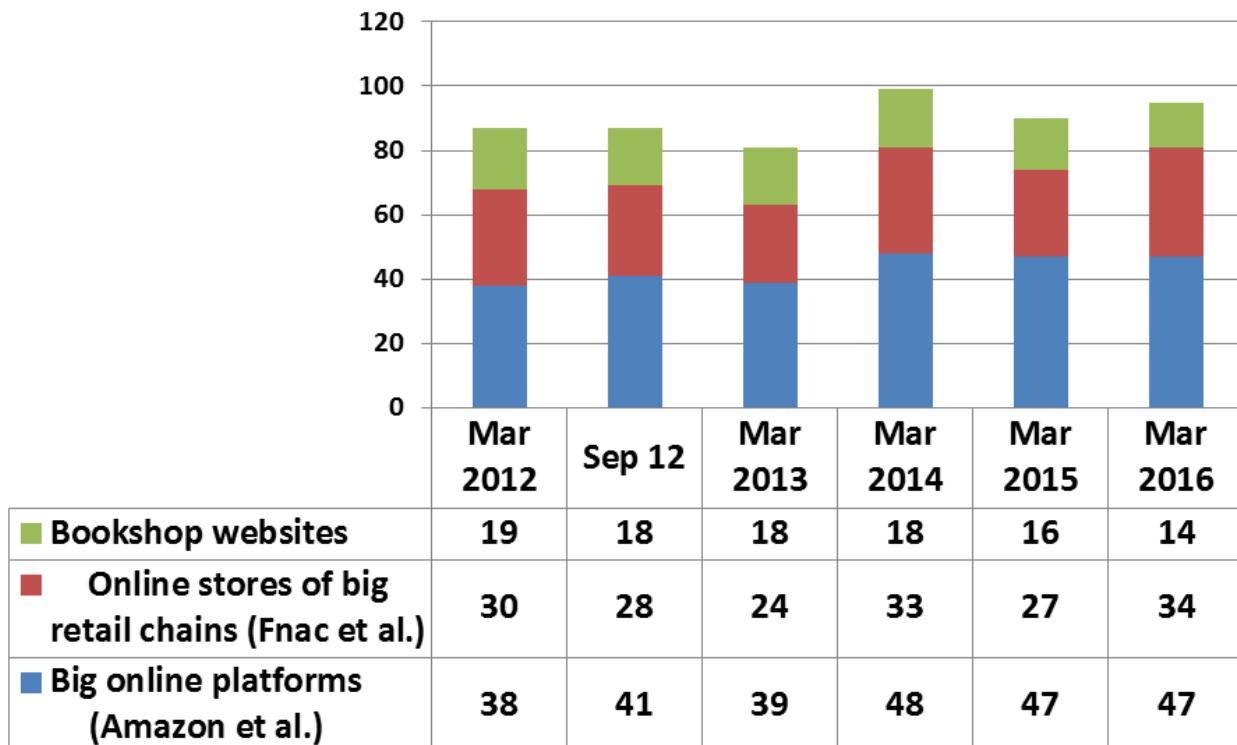
In terms of sales channels, again as one would expect, the "big online platforms", led notably by Amazon.fr, control almost half of the digital distribution, at 47% (up from 38% in early 2012). The largest (domestic) chains, including notably [Fnac](#), have hardly been able to expand their share of under one third, and independent bookshops' websites accounting for a declining market share of 14% in early 2016 (against 19% in early 2012).

Fiction is by far the most popular genre among digital readers (at around two thirds, with no breakout given for sub-genres, such as romance or fantasy titles), followed by comics (bande dessinée, at around 13% to 20% over recent years) and young adult (between 10 and 15%).

Some 16% of digital readers acknowledge to having illegally downloaded ebooks from piracy sites (the value jittering between 14 and 20% between 2012 and 2016), with main reasons for that choice given as no legal edition being available, or the legal offerings being perceived as too expensive.

Book professionals across the French industry had been shocked as the by far biggest book of 2014, a juicy memoir by Valérie Trierweiler, the former companion of French President Hollande, became an instant hit at dedicated ebook piracy sites. The experience was repeated in early 2015 with the newest novel by French star author Michel Houellebecq, "Soumission", which had appeared online in a pirated, yet carefully copy-edited epub edition months before its official release, to a great success with the readers ("Livres piratés : l'âge de raison", [Le Monde](#), 21 Jan 2015).

**France: Selected point of purchase for ebooks
(%, multiple choices allowed)**
2012 to 2016



France: Evolution of points of purchase for ebooks. Source: Baromètre SNE, SGDL, SOFIA 2016.

Our own research into illegal parts of the digital reading market is confirming the assumption that a very significant user base for piracy is well established, with books having produced highly popular web resources rich in choice, and well perceived in their usability, at levels certainly below those in Spain, but otherwise probably fairly in line with other non-English language markets. In a way, ebooks have moved mainstream in France, if only the legal and the illegal offer were added up as one mixed market.

Indeed a detailed survey and analysis by the official *Hadopi* (*High Authority for the Dissemination of Works and Rights Protection on the Internet*) organization in fall 2014 has produced the portrait of a complex status quo: 11% of the French over the age of 14 read ebooks, a number which clearly tops the 2.3% market share of commercialized ebooks which SNE has estimated for 2013. "Free" ebooks have become popular, even as two thirds of readers would eventually also buy an ebook. Yet €10 is seen by most as a threshold for a purchase - while many new releases are priced significantly higher by the publishers. Ripping DRM from ebooks is a common practice (for 34% of ebook readers), as is sharing of ebooks among friends (for 46%). (Hadopi/DREV: [Etude des perceptions et usages du livre numérique](#). Oct 2014; [here](#) for the full report).

Professional and political debates on publishing in France in 2015, and earlier

Overall, while the French book market did see only a few of the radical changes as might have been expected in a result from several years of shrinking, a growing consolidation in the publishing sector, and a shift in retail, putting Amazon ahead of all domestic channels.

Some very significant ruptures have occurred, though, in recent years. The second largest book chain, Chapitre, went out of business in 2014, with some of its shops becoming independent bookshops. The ambitious multimedia Virgin Megastore had to close shortly after its start in 2013. And the co-operative venture of an online book selling platform to compete with Amazon, branded MO3T, and backed by French telecommunications giant Orange, has been closed in early 2016, less than 4 years after the first announcement of the project. ([Actualité](#), 22 Feb 2016)

Instead, the policy debate has focused fairly strongly on the what has been perceived as an exceptionally low ebook penetration in France, with many observers arguing how and why French consumers would continue to prefer the printed book over digital. Multiple legal actions have been taken in the ambition of protecting the traditional domestic book sector in France against both digital disruption, and challenges from the outside, notably by global players such as Amazon.

In early 2015, the government proclaimed that "unlimited subscriptions that do not have a fixed price set by the publisher" were in infraction with the French law on fixed book prices. This would oblige subscription platforms - both international like *Amazon's Kindle Unlimited*, and domestic like graphic novel publisher [Izneo](#), [Youboox](#) or [Youscribe](#) - to adjust their offer, either by providing only a limited offer of a restricted title catalog, or books by just one publisher who, in such case, would define the price for the subscription ([Livres Hebdo](#), 19 Feb 2015). Streaming or subscription services for digital books also found a very critical echo from Arnaud Nourry, the chief executive of *Hachette*, the by far largest publishing group in the country, who declared: "I will be the last one to jump on this. This is pointless." ([Actualité](#), 17 Dec 2014)

The decision on subscription offerings coincided with a surfacing discussion on the retail price of ebooks in France, which is seen as too high by many readers - according to Fleur Pellerin, the Minister of Culture. ([Actualité](#), 19 Feb 2015)

At €7.70, the average price level is not radically different from that in Germany, at €7.58, in fact, but the policy of traditional trade publishers is to align it with print prices for new front list releases, at a discount of not more than around 20%.

Also, the margin for ebooks had come under pressure, when the European Commission argued that the reduced VAT rate on printed books was not applicable to digital editions. Unimpressed, the French government initiated a law to extend the lower VAT rate to digital, and amending legislation, effective by January 1st, 2015, that only ebooks without hard copyright protection should benefit from the exception. This would have been to the disadvantage notably of Amazon, which uses a proprietary DRM, or digital rights protection software for the Kindle. For the moment however, the position of the European Commission prevailed, with only printed books are given the advantage of a VAT rate of 5%, and ebooks carrying the normal rate of 20%.

Already earlier, another anti-Amazon law, prohibiting free shipment for books as an infraction of the fixed book price law in France, had failed, as Amazon and other online shops decided to charge 1 cent, instead of their earlier policy of free shipments.

The various legal battles highlight a growing discrepancy between actions by the publishing sector, and politics, versus the increasingly fickle French consumers, who are "price sensitive, subtle in their access to all the services proposed on the Internet, and who might be tempted by piracy", according to Laurence Engel, the government appointed "mediator" for the book sector. ([Actualité](#), 20 Feb 2015)

The French book business had witnessed a number of ruptures, each pointing to the fact that the entire industry is undergoing change in both scope and patterns similar to its European neighbors. In this transformation, ebooks and digital are only two drivers among many others, and not even the most aggressive forces.

Ebooks had seen in France a take off *en douceur*, as read the headline of a [market report](#) in *Livres Hebdo* in January 2014. For example at *Flammarion*, a prestigious middle sized house that had been recently acquired by *Groupe Gallimard*, revenues from ebooks accounted for a modest 0.6% around the end of 2013. By contrast, at the small *La Musardine*, an independent publisher specializing in erotic fiction, digital sales were worth 350,000 in 2013, or 12% of the company's total turnover. However, this compares well to another erotic bestseller, the trilogy by *Sylvia Day*.

Developments and debates in 2014 and 2013 were similar to those at the French arm of Canadian romance fiction specialist Harlequin who speaks of 14% digital revenues for 2013. At Lattès, an imprint of the French giant Hachette Livres, *E.L. James' Fifty Shades trilogy* had digital sales worth only 6%, against 94% that came from print. At *Gallimard*, the first address for French quality fiction, ebooks accounted for 3 to 5% of all sales for those 1500 titles that have been already digitized (from an overall back list catalog of 24,000 works), with crime fiction standing clearly out at 10% digital.

Aside from traditional publishers venturing into ebooks, a number of digital only (pure player) publishers have emerged recently, as shown in a report from *Le Motif*. ([Pratiques d'éditeurs: 50 nuances de numérique](#), Mar 2014) Many of these new initiatives, who can finance some of their experiments with public funding, try out new approaches, by avoiding hard copy protection (by 66%), and exploring price ranges well below those set by traditional publishers, as 95% propose their books under €10, and 78% even under €45. Among those new platforms, graphic novels and comix (bande dessinée) play a significant role, with dedicated distribution platforms like [Izneo](#), and a growing significance for exports in non-French language markets (Izneo reports 20% revenues from outside of Europe or Francophonic territories).

Challenges in retail, and the controversy over Amazon

Retail was much more the arena for struggles and competition. Late 2013 and early 2014 has seen the dissolution of the second largest book chain in France, *Chapitre*, as it had to close 23 of its 57 stores, and cutting 434 jobs, while finding new, mostly independent owners for the rest. ([Livres Hebdo](#), 11 Feb 2014)

But also [Fnac](#), the largest retail chain for books and other media - and the French partner of Rakuten Kobo, had undergone substantial restructuring. And Virgin Megastore, another important player in the commercialization of content, with ambitions also for the segment of books and ebooks, had been folded in 2013.

But the by far strongest felt - and most widely debate - challenge came from Amazon.

The latest example for an ongoing controversy highlights a contract between Amazon and [Canopé](#), a network sponsored by the French Ministry of Education, to sponsor seminars for teachers to use Kindle Direct Publishing for the creation of digital learning materials. With revenue from textbooks already in decline, the publishers' association SNE protested loudly against "the promotion of self-publishing by notably using the proprietary format of a market dominant American actor." ([Livres Hebdo](#), 15 Mar 2016)

Already earlier on, Amazon has received broad, and overwhelmingly critical media coverage in 2014 in France, notably from its show down with the American operations of Paris headquartered Hachette group. (See for instance a reportage on the conflict, as reflected in the debates at BookExpo America, in New York, in May 2014, in [Livres Hebdo](#), 6 Jun 2014.)

One of the challenges voiced by many is that digital sales occur in a very narrow time window, directly related to promotional campaigns, which are mostly driven by lowering prices for a limited period of time. This is a hard lesson for all involved in a book market which is fundamentally rooted in the conviction that books are special,

and require a strict regulation of retail prices. This habit clashes with new practices like Amazon's *Eclair Kindle* (or *Kindle Flash*) offer, with 24 hour specials to put for instance a crime title from €4.48 to €0.99, pushing the ebook to rank 3 in the Amazon bestselling charts. Such initiatives have to be approved by the publishers, who are torn between the welcome earnings, and the loss of control over pricing. The gospel among publishers is therefore to go for a mastered development, by keeping prices high, and stay firm behind their steering wheel. (Quotes from [Livres Hebdo](#), 31 Jan 2014)

Apple chose a similar strategy in September 2014, to boost ebook sales of its iBook store by offering selected titles for free. ([Livres Hebdo](#), 19 Sep 2014)

The domestic debate on Amazon's advantage against French retailers resulted in a legal initiative in early summer 2014, banning free delivery of books as a breach of the fixed book price law. The regulation however could easily be bypassed by not just Amazon, but also local online platforms like Fnac by offering an only symbolic fee of one cent for shipping orders to customers, highlighting well the complexities of such legal ambitions. ([Livres Hebdo](#), 10 Jul 2014)

Yet despite all the critical media coverage on Amazon's role in French retail, the global platform is generally expected to become the number one also among all book sales channels in France, thus topping Fnac, within a few years.

(French/Wallonian) Belgium

(Based on input from *Thibault Léonhard* of ebook distribution company [Primento](#); active in Belgium, France and Switzerland)

The book publishing market in Belgium is split between a French (Wallonian), and a Flemish part, the former largely connected to French practices and players, and the latter similarly related to the Dutch book business and reading culture.

The French part of the Belgian market is worth €244 million (this number does not include online sales, which are recorded largely through platforms based legally in France such as Amazon.fr, while Flemish readers often purchase books from Dutch [BOL.com](#)), according to ADEB (Association des Editeurs belges), the local publishers' association. These numbers from 2014 show a decline of 3.2% compared to 2013.

In 2014, French-speaking publishers released some 2670 new titles, plus 1782 re-editions, accounting however for only 3 out of 10 books sold in Belgium, while the rest was imported from France (and with probably a similar import ration in the Flemish parts of the country, from the Netherlands). However, 60% of the local Belgian book production is exported, which makes a significant difference to other countries with a neighbor speaking the same language, like Austria with Germany, or Ireland with Great Britain.

Digital reading of (consumer) books is small, comparable to France, with sales worth only €1.9 million, or around 1% of the total production of Belgian publishers. More generally (including imported books), the part of ebook sales is estimated to be around 2 to 3%. More interestingly, the turnover generated by (professional) digital database publications reaches €38 millions, which means they represent almost 20 times more than ebooks.

But as tablet penetration has grown significantly, and one out of four tablet owners use their devices also for ebook reading, a considerable potential for ebooks might build up.

The total ebook market in Flanders is estimated at 512.000 ebooks, which represents 3.1% in the total sales of books. There were at the end of 2015, following GFK, 307.000 e-readers active in the market, with growth rate of 30% in 2015).

In both linguistic regions of Belgium, the respective market leaders from France and from the Netherlands have a significant presence in consumer sales, notably French Fnac, and Dutch BOL (who both partner with Rakuten Kobo).

In the Wallonian part, Amazon is estimated to account for 40% of all ebook sales, followed rather closely by Apple and Google at around 20% each (estimated) share of sales.

On the production side, some new players where noticed in the last few years : [Onlit Editions](#) (for fiction), [Lemaitre Publishing](#) (non fiction books), [Plurilingua Publishing](#) (non-fiction books in English and Spanish), and [Primento](#) as an ebook distribution active in Belgium, France and Switzerland mainly.

Spain

With Javier Celaya, [DosDoce](#).

Spain: Key figures and parameters (Source: Federacion de Gremios de Editores de Espana, FGEE, and other)

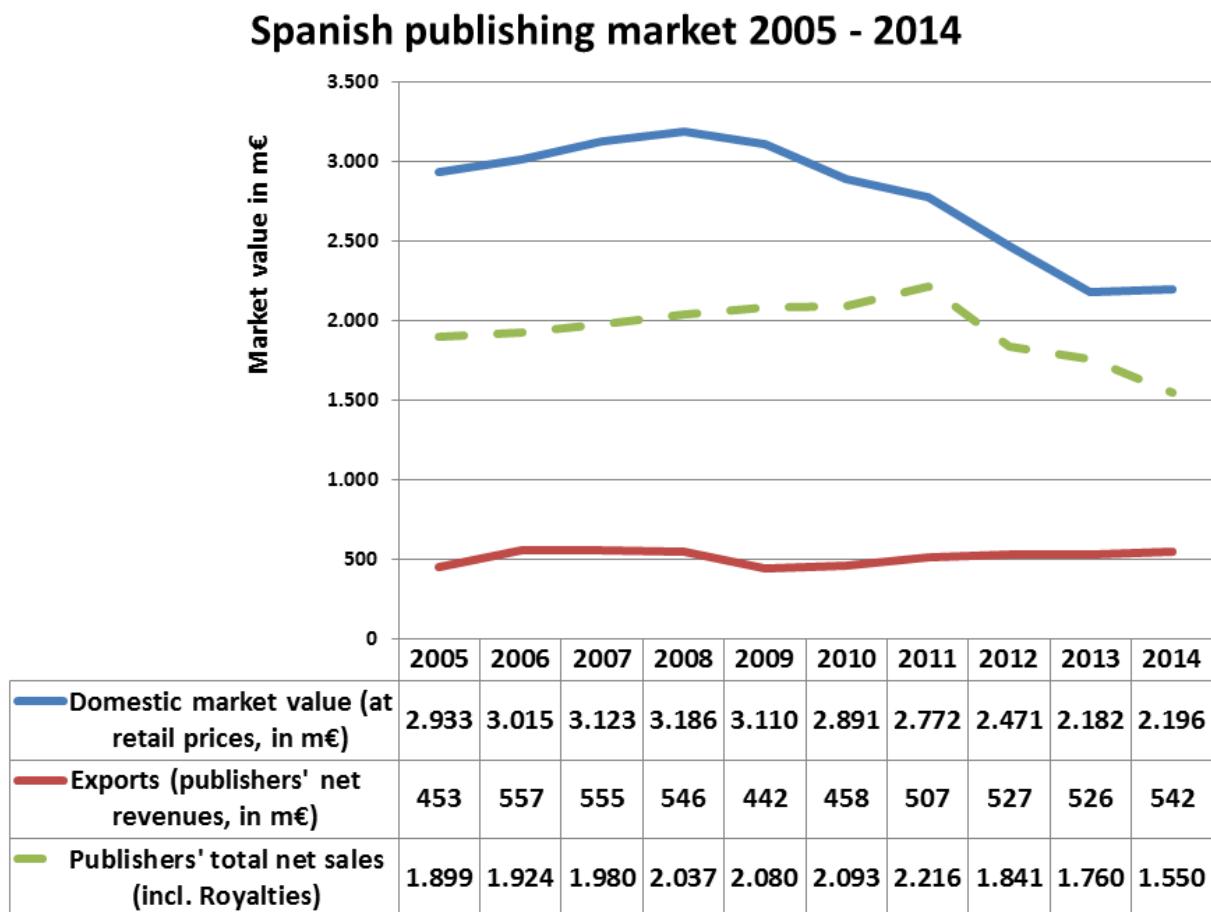
Market size at retail value	€2,738m	2014
Publishers' net revenues	€1,556m	2015
Number of new titles and re-editions (issued ISBN)	78,508	
Total revenue from ebooks	€110m	2014
Number of ebooks sold	11.2m	2014
Number of new ebooks released per year	39,982	
Ave. price of an ebook	€9.80	2014
Market share ebooks from total trade	5%	2014
Revenue share at key publishers in%	10 to 12%	
Fixed book price, extended to ebooks; lowered VAT extended to ebooks, but contested by European Court.		

Spain had been hit by the economic crisis of 2008 harder than most European countries, and as a result, the book market stumbled into a dramatic slump for years. At consumer (or retail) prices, the domestic market fell from almost €3.2 billion in 2008, to €2.2 billion six years later, in 2014. Due to the economic crisis, the Spanish government had largely stopped public purchases for books, and also canceled the reduced VAT rate of 4% (versus the normal rate of 21%) to being applied to ebooks, – as well as to theater, music, and movie tickets –, with only printed books being exempt. These moves further accelerated the pressure on publishers.

2015 was the first year for which several indicators hint at the book business to have stabilized. (No final numbers are available at the editorial deadline of this report; data source: [El sector del libro](#), published by the Ministry of Education, Culture and Sport, January 2016.)

Only exports to Latin America, worth around one third of all publishers' net revenues, and which had remained stable overall, have made sure that publishers in Madrid and Barcelona could maintain their position in the market.

The production of new titles has not nearly declined as dramatically as revenues, opening therefore a remarkable gap between output and turnover, which is well illustrated by a steady diminishing average print run for books, from an all time high of 5,500 copies in 2007, to only 2,900 in 2014. Despite the economic crisis, which had been felt as a huge burden by Spanish consumers, retail prices for books have not been adjusted to the declining purchasing power, but increased even for some time.



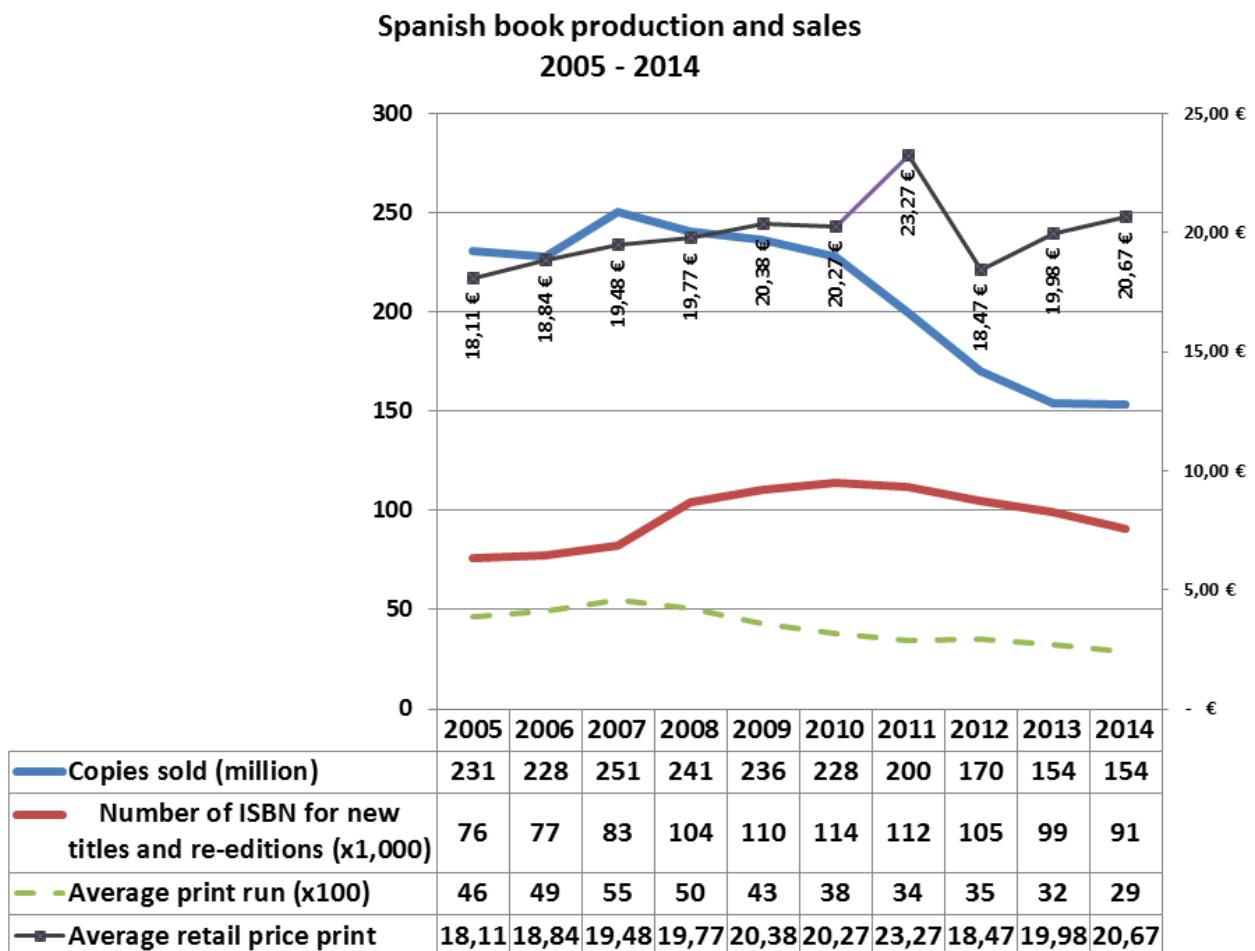
Spain: Book market key parameters, 2005 to 2014. Source: FGEE.

The industry, which is concentrated by over two thirds in the Spanish capital Madrid, and in Catalan Barcelona, has undergone a heavy process of consolidation, triggered by the challenging economic context. Three groups used to be the predominant players for many years.

[Grupo Planeta](#) is based in Barcelona, with a wide portfolio of various media activities reaching beyond the book, and had acquired the second largest French publishing group, Editis, in 2009. Planeta is not only the leading trade (or general consumer) publisher in both Spain and Latin America. It also controls the largest book retail chain, Casa del libro, and a number of reading platforms and communities, such as Nubico, and a stake in the ebook distributor, Libranda.

Santillana, part of PRISA, the largest media group in Spain and Latin America, with a presence in 22 countries overall, with a stake in educational as well as in trade book publishing. Finally, Random House Mondadori, a joint venture of Bertelsmann's Random House, and Italian Mondadori was the third largest Spanish book publisher.

This set up changed significantly, when in 2014, in the year of Random House's merger with British Penguin, the new giant also acquired Santillana's consumer publishing arm, and bought out Mondadori from their past joint venture, to form Penguin Random House Grupo Editorial, narrowing the gap to Planeta as the second largest book group for the Spanish language market, aiming at both the stable book business in Latin America, and the growing Latino market in the US.



Spain: Book market production and pricing. Source: FGEE.

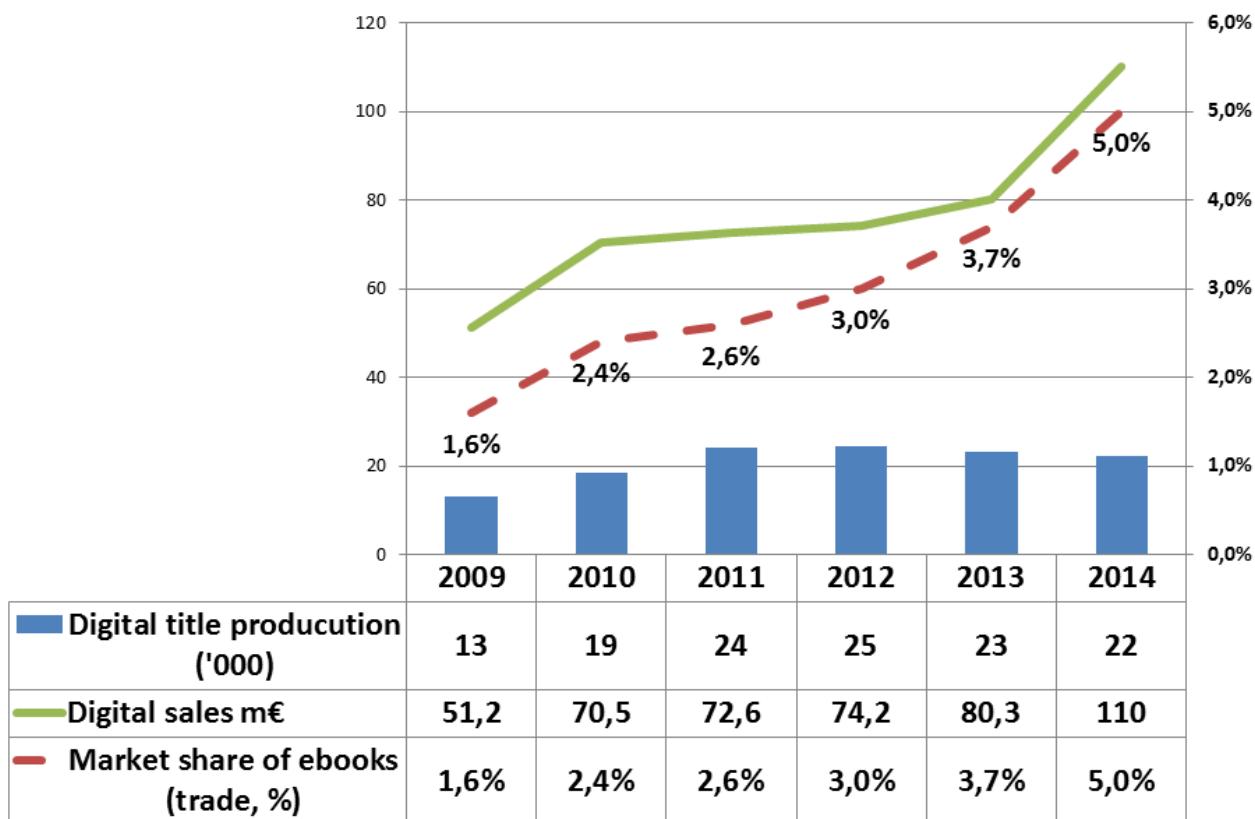
The picture of the Spanish language book publishing however would not be complete without in addition refer to a significant number of vibrant independent publishers in Spain, as well as to the lively book markets in Mexico, and to a lesser degree in Columbia and Argentina, as each country has worked hard on fostering domestic houses to compete with the big Spanish groups.

Both the big groups, and several of the independents have started betting on digital from early on, in the hope of compensating some of the huge loss in print revenue.

Today's market share of ebooks at around 5% may not look particularly strong, despite quick growth in the early years until 2011. In 2014, new ebook releases even declined by -1.9% (on the basis of ISBNs, yet with Amazon's own ebook publications not included, as the online platform has replaced the ISBN system with its own, proprietary standard ASIN). In value, ebooks worth € 110 million have been sold in 2014, with various online retail platforms in the lead, and Amazon seen as the clear number one. (2015 numbers are not yet published).

Since 2014, ebook sales seem to have hit a glass ceiling though, with piracy being considered the main culprit. Even if the pressure coming from lost sales is expected to have eased a little in 2015, illegal book download and reading communities are strongly established with Spanish consumers, following habits that have started already much earlier with pirated music and movies. (For more details, see the chapter dedicated to ebook piracy in this report.)

Spain: Ebook market evolution 2009 - 2014



Spain: Digital market, key parameters 2009 to 2014. Source: FGRR.

Still, expectations are that in 2015, more than 8 million ebooks will have been legally downloaded in Spain, with ebook revenue climbing well above the 10% mark both for the largest publishing groups, as well as for those independents who are focusing on the digital segment. Similar to most markets, general fiction and sub-genres such as romance, or crime or fantasy see a particularly thriving performance in ebook sales. Up to 60% of digital sales come from overseas (40% going to Latin America, and 20% to the US).

Ebooks are usually discounted more heavily as in other continental European markets, at around 40 to 50%, with general fiction selling at around €8, romance at €2 to €6, and young adult at around €6. (See for more details in the chapter dedicated to pricing strategies.)

[Libranda](#) and [Bookwire](#) (a sponsor of this report) are the two main distribution players in the Spanish market. Bookwire has been operating in the Spanish market since September 2014 distributing more than 12,000 titles from 140 Spanish imprints.

Small and medium size Spanish publishers are experiencing a different digital behavior in comparison to the big publishing houses like Planeta or Penguin Random House. Independent publishers sales tend to focus more on longtail backlist books. Their marketing and pricing strategy also differs from the big publishers offering less discounts and promotions focusing rather more on marketing campaigns around content not discounts.

In this context, Amazon leads the market with 35-40% of the digital market quota for small and medium size independent Spanish publishers, followed very closely by Apple with 30-35% and then by Google with 8-10%. Local players such as FNAC, Casa del Libro and El Corte Inglés represent another 10-15% of the market. Kobo has increased its market share in region from 1% to close to 5% due to strategic agreements in Mexico. (Source: [Bookwire Spain](#))

As in the anglosaxon markets, selfpublishing is also growing very rapidly in the Spanish markets. 1 out of 4 ebooks sold in the Spanish markets are self-published. Selfpublishing is lead by Bubok, local player, and Amazon.

Subscriptions is not taking off in the Spanish market representing less than 1% of total digital sales. 24Symbols and Nubico are the two main players in the market. Notwithstanding this slow growth, Grupo Santillana has recently launched its own reading community & subscription service platform Loqueleo.com and independent publishers have created Metaforic.es a children and juvenile books subscription platform.

Most ebooks come with hard DRM, as watermarking has not become popular with Spanish publishers.

As early as in September 2013, the country's largest publishing group, *Planeta*, joined forces with the leading telecommunications group, *Telefonica*, to launch a subscription platform for ebooks, branded Nubico.

Italy

Italy: Key figures and parameters (Source: Associazione Italiana Aditori, AIE, Informazioni Editoriali, and other)

Market size at retail value (complete 2015 not yet available)	€2,894m	2014
Trade market	€1,524m	
Number of new titles and re-editions	61,800	2014
Total revenue from ebooks	€40.5m	2014
Number of ebooks sold	7m	
Number of new ebooks released per year	44,733	2014
Ave. price of an ebook	€6.76	2014
Market share ebooks from total trade	3.4%	2014
Revenue share at key publishers in%	%	
Fixed book price, with limited possibilities for discounting.		

Since 2011, publishers and booksellers in Italy were confronting a severe crisis with 2012 labeled as an "annus horibilis". By 2014, the drastic slide has largely stopped, albeit still going down moderately by -3.24% in value and -3.46% in volume, which adds up to an accumulated loss of -13.22% in value and -10.62% in volume in just three years.

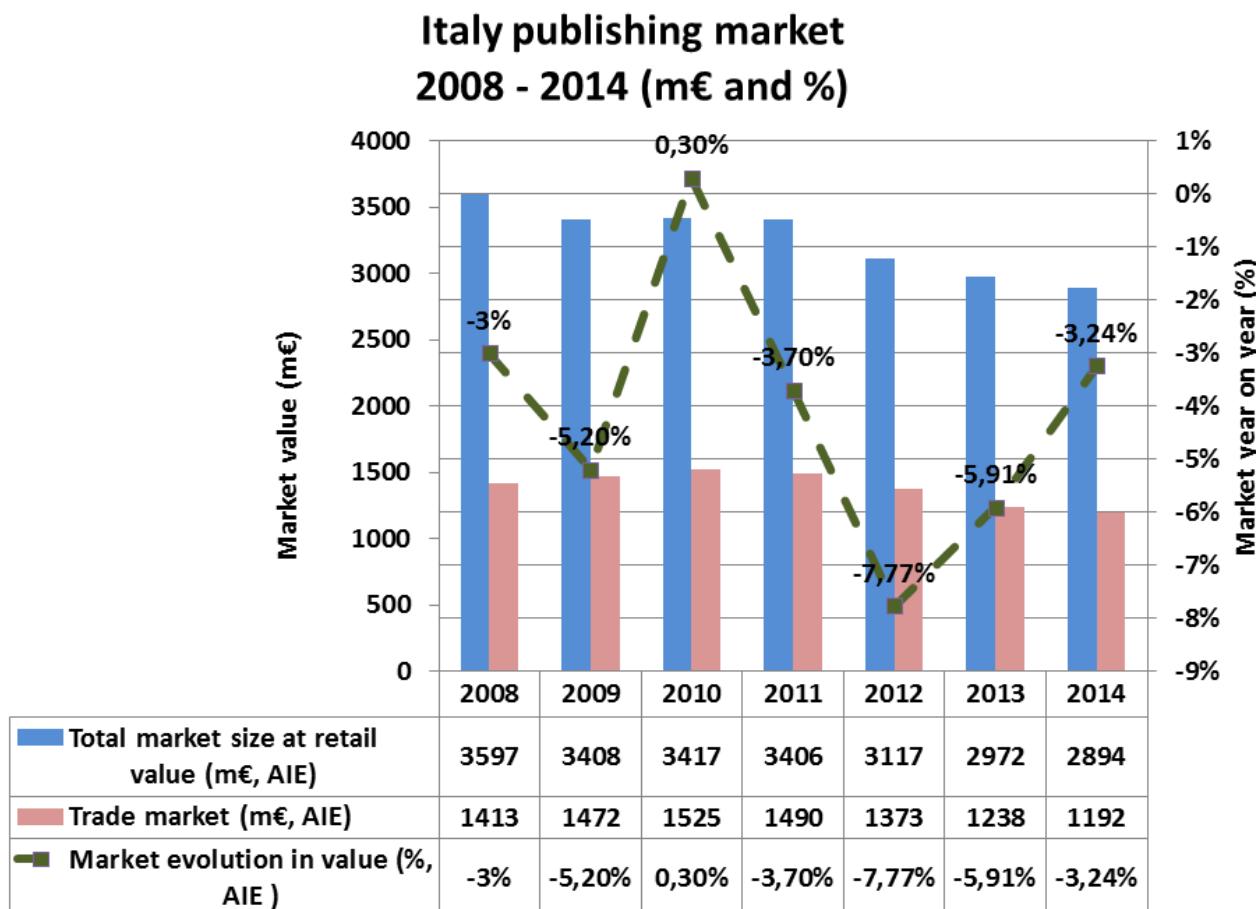
In 2015, the process of stabilization continued, yet with still a moderate loss recorded, at -2.34% in volume, and -1.17% in value. (Full figures for 2015 have not yet been available when this report was edited.)

The stabilization worked mostly due to a solid performance in Italian fiction, and in children's books. (Interestingly, Italian fiction, which accounts for 13% of trade sales, grew, while international fiction at a market share of 26%, has declined)

During these turbulent times, average book prices were remarkably stable, within a range of €13.13 in 2013 and €13.60 in 2011, when the crisis had started. Roughly half of all sales occurred at price points between €8 and €17 in 2015. (Source: Informazioni Editoriali)

In distribution channels, book chains did relatively better than independent book stores or large scale retail, with only online showing a significant year, for each year between 2012 and estimates for 2015. Online sales were up 8% in 2015, at a market share of around 13% in 2015, with sales of €140 million in 2014.

Amazon is supposed to hold a 50% share of all online sales, with national platforms, notably [ibis.it](#), [lafeltrinelli.it](#) and [inmondadori.it](#), each owned by one of the major Italian trade publishing groups, controlling the other half.



Italy: Book market, key parameters, 2008 - 2014. Source: AIE.

Ebook sales grew from 0.3% in 2011 to 3.8% in 2014 (worth around € 42 million) market share of all trade, with estimates for 2015 at around €39 to €44 million, which equals 4.4% to 4.8 % of the trade market.

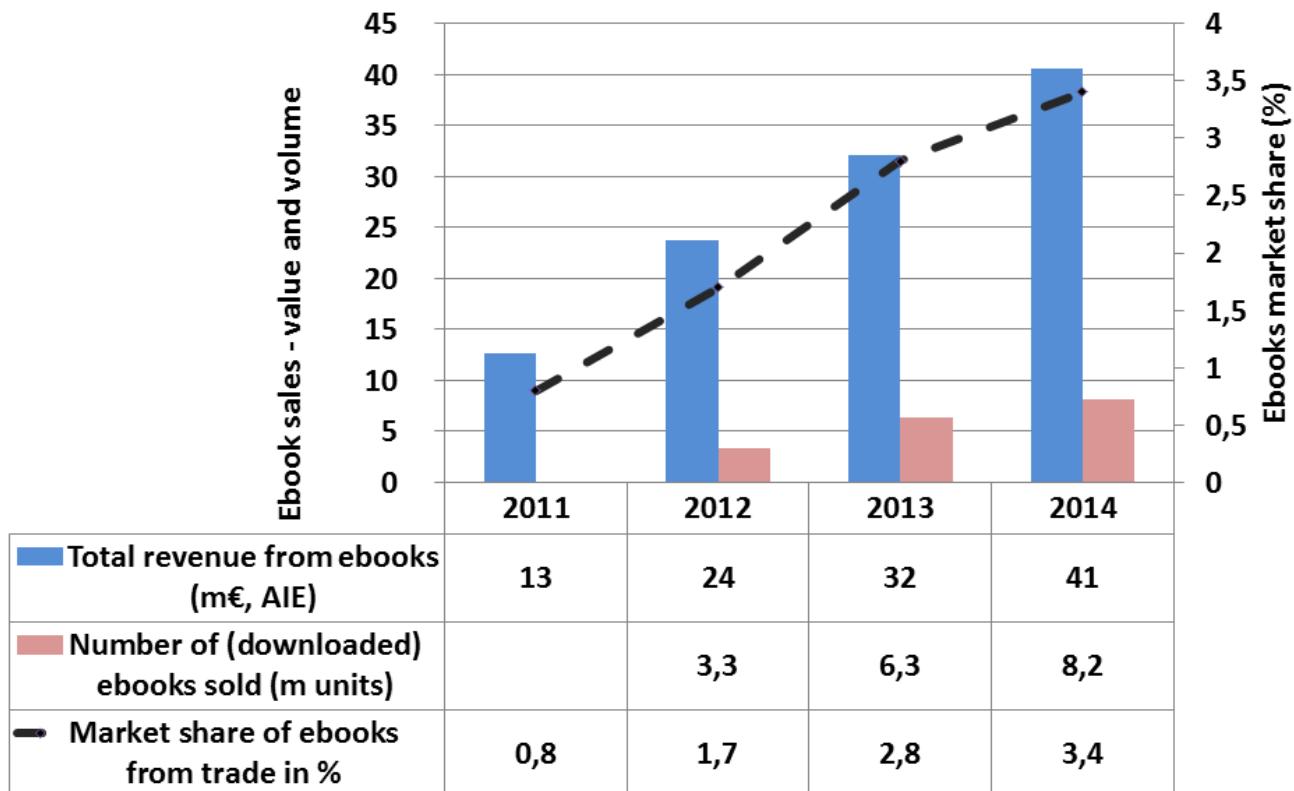
Amazon's Kindle is reported to account for half of all ebook sales, followed by Rakuten Kobo at 20%, and Apple's iBookstore at 14%. (Source: All Brain)

By sector, only childrens' books and tourism showed slight gains at 0.76% and 1.16% respectively. Notably expensive titles at price points of €25 and more came under pressure, while mid range books performed better. In retail, the smallest outlets with sales areas below 100 square meters struggled most, resulting in significant loss among independent book stores. ([Informazioni Editoriali](#), Andamento 2014)

The trade book sector declined by -6% between 2011 to €1.1bn in sales 2014, with again, independent books stores, with a market share of 31% suffering most, while online (at 13% of the market) being the only sales channel to expand by 8% year on year in 2014. Book chains account for 41% of all trade sales.

Ebooks have seen a lively start, yet account for not more than 3.8% of all trade sales, with Amazon owning an estimated half of the digital market segment, followed by Kobo (20%), Apple's iBooks (14%), while local platforms control only some 11% of all ebook revenues. By contrast, the distribution of Italian ebooks is largely controlled by three local companies, [BookRepublic](#), [Simplicissimus Book Farm](#), and [eDigita](#) which is co-owned by three publishers and retail chains, RCS Libri, Messaggerie and Feltrinelli, and estimated to control half of the ebook distribution. ([Marcello Vena](#), AllBrain in a presentation at Digital Book World, Jan 2015)

Italy ebook market 2011 - 2014 (value, volume, market share)



Italy: Ebook market, key parameters 2011-2014. Source: AIE

Similar to France, Italy has lowered the VAT on ebooks to just 4%, effective January 1st, 2015, a policy now challenged by a ruling of the European Court in March 2015.

The overall pressure on the Italian book market, and the Italian economy in general, has recently resulted in a considerable shake up of its book sector. The largest publishing group is Mondadori, with Silvio Berlusconi in control of 50% of the shares. The group's share price had been traded at around €40 in 2000, yet fell to lows well under €1 in 2014. [RCS](#), the second largest publishing group, had seen a serious decline in its revenues, notably from its business with part time editions. In 2013, RCS sold its French arm, [Flammarion](#), to [Groupe Gallimard](#). But also all other publishing ventures recorded a decline in revenue - with little information available on profitability of family owned houses such as [GeMS](#) or [Feltrinelli](#).

In a shrinking market, which is blamed also on a hugely diminished interest in books, as 1.6 million Italians are said to have abandoned reading books altogether, the book business is witnessing consolidation. In early 2014, a new distribution venture has been formed between *Messagerie* (holding 70%) + Feltrinelli (with 30% of the company). ([Livres Hebdo](#), 31 Jan 2014)

In early 2015, rumors hit the media of Mondadori's interest in acquiring its largest competitor RCS, at a selling price of €127.5 million. With a market share of some 27% for Mondadori, and 11.7% for RCS, the consolidation would probably be the highest in Europe (with almost 40% of the total market, and even an estimated 70% of the trade and mass paperback segment in the hands of the predominant actor). The move met warnings against such massive concentration of market clout, notably from numerous prominent writers, including Umberto Eco. In early March, the board of RCS at first postponed a decision on the offer. ([L'agefi](#), 22 Feb 2015; [Actualité](#), 3 Mar 2015)

The deal was green-lighted by Italian anti-trust authorities in March 2016, yet with a catalog of 10 restrictions, notably that the assets of publisher Bompiani are not included in the takeover. ([Actualité](#), 24 Mar 2016)

For several key parameters in the online and digital market in Italy, only estimates by domestic market observers are available. Online retail is assumed to account for some 13% (Marcello Vena, AllBrain) and 16% (other industry sources), with Amazon owning an estimated 35 to 40% of this channel.

In spring 2014, Amazon had started a cooperation with the Italian book chain Giunti al Punto, which operates 170 stores across the country, to sell Kindle devices ([The Bookseller](#), 12 May 2014). Two of the leading local trade publishing houses, GeMS (Grupo editoriale Mauri Spagnol), and Feltrinelli, to launch a joint distribution operation. ([Livres Hebdo](#), 22 Jul 2014).

The approach to copyright protection in Italy differs significantly from publishers' preferences in some other European markets, as hard DRM has never been supported by a majority of publishers. While overall, 92.25% of titles have some digital rights management software integrated, social DRM (or watermarking) has been predominant early on, at 55.16%, against 41.47% for Adobe's hard copy protection, and the overall shift toward soft DRM seems to continue. (Source: [Informazioni Editoriali](#))

Italian publishers have started relatively early to release a broad title catalog also in ebook formats, so that already in May 2013, 60,589 commercial ebook titles have been offered to Italian readers, equaling 8.3% of the total available catalog, with some 44% of new titles released in digital format, aside from print. (Source: Ufficio Studi [AIE](#) (Research Office of the Italian Publishers' Association))

The Netherlands

Netherlands: Key figures and parameters.

Market size at retail value	€1,318m	2013
Trade market	€485m	2014
Number of new titles and re-editions	16,502	2014 incl. Dutch and foreign titles
Total revenue from ebooks	€18.4m	2013, est.
Number of ebooks sold	2m	
Number of new ebooks released	6,418	
Ave. price of an ebook	€9.10	
Market share ebooks from total trade	5.7%	4 Q 2015
Revenue share at key publishers in%	9.1%	For fiction, ave.
Fixed book prices for year 1 after publication; VAT of 6% for printed books versus 21% for ebooks		

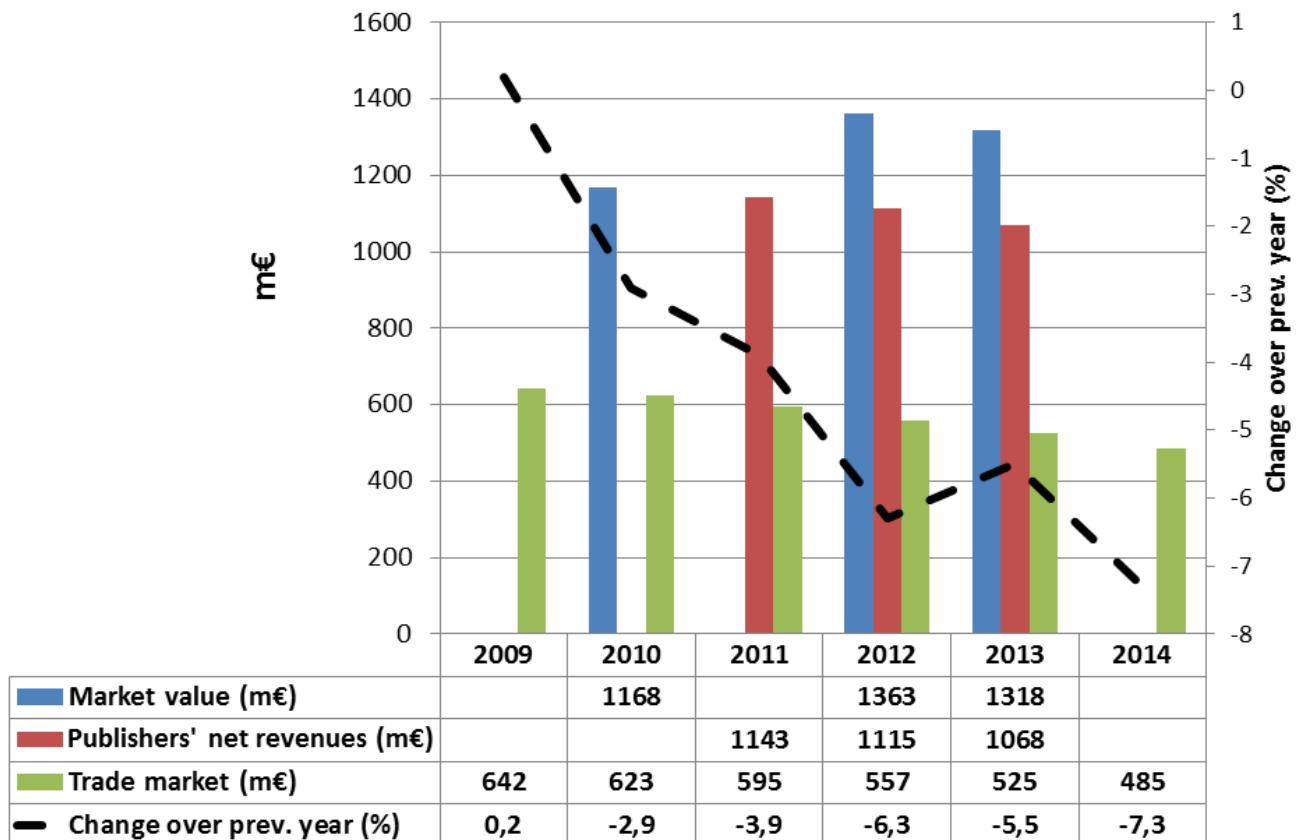
The Dutch book market has been down -7.3% in 2014 over 2013, continuing a slide that had already been tough in previous years (with 2012 down -6.3% in value and -4.3% in volume, according to the Dutch publishers' association, [NUV](#), and the Royal Book Association, [kvb](#), with numbers for 2015 not yet reported when this report was researched).

With the overall economic slump being seen as the main culprit, particularly retail has been severely challenged, resulting in the book chain *Selexyz*' filing for bankruptcy in March 2012. ([buchreport](#), 26 Mar 2012 and [buchreport](#), 2 Aug 2012) Also the company's successor under a new ownership of an investment bank, who rebranded the chain as [Polare](#) could not achieve a lasting turn around, and went out of business in 2014, selling off several shops to independent holders.

Ebooks have had a slow start initially, in 2010, and picking up speed only by 2011, similar to Germany. Interestingly, the strong international position of largely digitized professional publishing groups with headquarters in the Netherlands, like *Wolters Kluwer*, or *Elsevier*, one of the globally leading science publishers, had obviously little impact on user's willingness to embrace reading fiction on a screen. Also, the global online book platforms were absent for long. Only *Kobo* had an early start, in 2012, while *Amazon* waited until 2014 for launching a dedicated [Dutch shop](#) with a broad catalog of books.

This pattern of cautious adoption of reading books digitally on a screen has changed significantly since 2013, as reported byCB, the [Centraal Boekhuis](#), which is the central distributor for print and digital books in the Netherlands, in comprehensive quarterly chart reports. (See here for the [last report](#), covering all of 2015)

Netherlands key parameters (2009 to 2014, NUV)



Netherlands: Key parameters of book market. Source: NUV.

Ebook sales have gone up steadily, with annual peaks at year end holidays, and from 2014, also digital library loans have become a significant market feature. By the end of 2015, ebooks account for 5.7% of all (trade) book revenue, and 28.2% of all online book sales. In the fourth quarter of 2015, however, digital sales declined for the first time by -1%.

The breakdown by genre has striking differences between physical and digital sales, as the category of literary fiction accounts for 39% of print sales, against 80% in ebooks.

Almost all ebooks have watermarking instead of hard DRM for copyright protection. The average retail price has declined continuously over the past years.

The Dutch law on a fixed book price will remain effective at least until 2018, according to a government decision in early 2015. ([Actualité](#), 10 Feb 2015)

As of 2014, ebooks have found their place among consumers who broadly have adopted devices that allow to read. In a population short of 17 million, 1.4 million owned a dedicated e-reader (up to 1.6 million in 2015), 7.9 million have a tablet computer (8.6 million in 2015), and 10 million use a smartphone (10.6 million in 2015). ([Infographic](#) by CB distributor, 20 Jan 2015 and in Feb 2016 for 2015 data)

In science publishing, a landmark deal has been signed between the world's largest STM publisher Elsevier - an initially Dutch company going back to the 19th century, and local universities, giving free access to research papers from Dutch researchers from 2018 on. ([Science](#), 11 Dec 2015)

Scandinavia

Ebooks and digital publishing in the Nordic countries show a paradox picture. All Scandinavian countries (Denmark, Finland, Norway, and Sweden) enjoy high standards of living, a very distinct reading culture, both in local languages and in English and now outstanding global brands such as Nokia, Skype or Spotify, were funded here. Although the region hosts a world class digital and ITC sector and has an expectedly strong and broad appreciation for fast and mobile Internet access and state of the art devices, ebooks have had a very cautious start.

This is ever more astounding as Scandinavian publishing groups have a remarkable position in both size and scope. The approach chosen Swedish [Bonnier group](#) with its motto to "Continuously reinventing media" is aiming well beyond books (where it holds a leading role in publishing and in retail), into TV, radio, magazines, digital, as it is venturing successfully outside of the North of Europe, with holdings in Poland and in Germany - where Bonnier is the third largest player on the book market, topped only by Random House and by the Holtzbrinck group.

But also Danish Gyldendal, and Finnish Sonoma are publishing and media groups of substantial size, with a broad and modern portfolio that includes both print and digital assets. When it comes to books and reading though, the evolution is special.

Ebooks started not through retail platforms - and Amazon to this day, has no localized web shop for any of the Scandinavian countries or languages. Instead, libraries acted as the main gateways to readers - which seems to have clearly limited the enthusiasm of publishers at first. Up to 70% of the Swedish ebook market was owned by libraries in 2012 and 2013, according to [Elib](#), "Scandinavia's leading producer and distributor of downloadable and streaming audiobooks and e-books", a company launched as early as 2000, later acquired as a subsidiary by the Bonnier group, and now governed by a board that includes representatives of several other Scandinavian trade publishers, notably Nordstedts, Piratförlaget, or Natur & Kultur.

By 2015 however, streaming - of flatrate - services, like [Mofibo](#) in Denmark, or [Storytel](#) in Sweden, seem to have filled the gap, as they have become remarkably popular with readers in a very short time.

For more details on the early developments in Scandinavia's ebook segment, see also the Global eBook report [fall 2013](#).

Sweden

Sweden: Key figures and parameters (Source: Svenska Förläggareföreningen)

Market size at retail value	€665m	2014 (6350mSEK)
Trade market	€370m	2015 (3428mSEK)
Number of new titles and re-editions	10,812	2014
Total revenue from ebooks	€1.3m	2014 (*)
Number of ebooks sold	177,000	2014 (*)
Ave. price of an ebook	€7.33	2014 (70SEK)
Market share ebooks from total trade	>1%	(*)
Revenue share at key publishers in%	6%	
No price regulation; 6% VAT for printed books; 25% for ebooks		(*) Numbers do NOT include all sales channels & subscription services

In 2015, book sales in Sweden rose by 3.2%, which was the first overall increase in years. As already in the previous year, growth had been notably driven by children's books (up 11.5% in 2014 and another 5.9% in 2015). This was happy news as the Swedish book market had been declining now in both value and in volume continuously since the crisis hit in 2008. A long term view, going back to 2007 as the peak year shows a remarkable contraction of the book business in volume and in value.

According to industry sources, publishers could reach customers outside the traditional spectrum of book buyers, notably with children's books, as well as by some smashing bestsellers, like Jeff Kinney's "Wimpy kid".

Brick and mortar bookstores performed below the overall market, with an increase of 1.9%, while online retail grew by 6.9%, after having topped traditional retail for some time already.

All market figures are compromised by the fact that several sales channels are not included in trade statistics, notably the soaring subscription platform of [Storytel](#). As a result, the Publishers' and Booksellers' Association decided for their new 2016 report to not release any statistics on digital anymore.

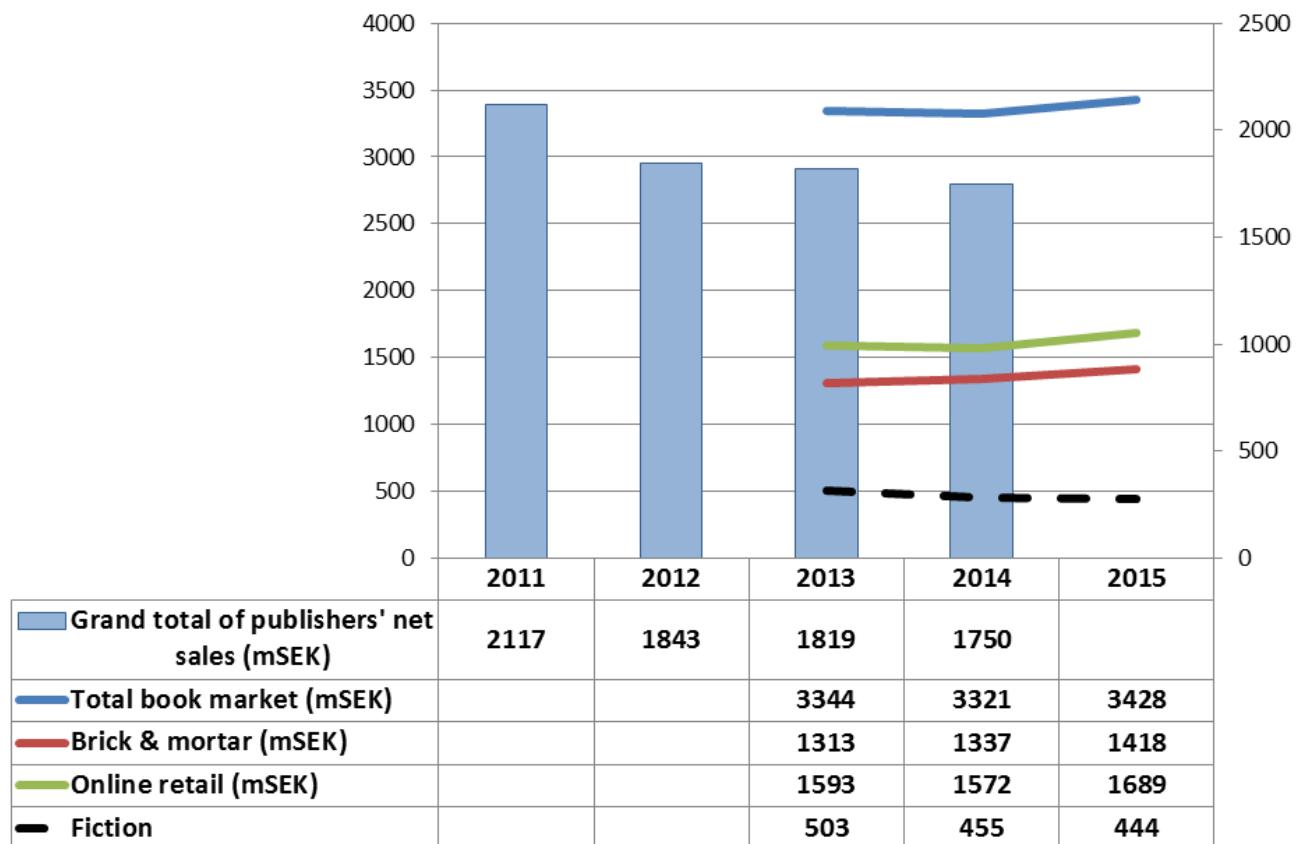
All figures are taken from Svenska Förläggareföreningen, Boken 2016, 2015 and 2014. ([Marknaden, trender och analyser](#)) Regrettably, earlier statistics are at this point not directly consistent with those reported for earlier years; see also [Bransch Statistik 2013 and earlier](#).

Publishers' net sales to all sales channels combined fell from 2,280 mSEK in 2007 (ca. €240m) by some 20% to 1,819 mSEK in 2013 (ca. €193m). Volume dropped from 45.6 million copies sold in 2007 to 25.3 million in 2014. By sales channel, sales to brick & mortar stores went down by 17% in that same period, though showing slight growth in 2014, while publishers sales to online platforms accounted for some 18% of total turnover in 2013, up from 12% in 2007 (though declining slightly in 2014). Other retail outlets than dedicated book shops saw the strongest decline. Children's and young adult books were the only segments seeing growth. While overall, the market for books shrunk, average retail prices continued to rise (up 4.8% in 2013, and 1% in 2014).

The Swedish - and the entire Scandinavian - book market is dominated by Bonnier as the by far largest actor, a family owned Stockholm headquartered media group active in TV and radio, daily newspapers, magazines,

movie production, book retail and book publishing, and digital, with annual sales of 26.7 billion SEK in 2014 (€2.8bn), of which 4 bSEK (€425m) came from book publishing in the Nordic countries in 2014. It is commonly said that every second book sold in Sweden comes from Bonnier.

Sweden key parameters of book business (revenues in mSEK, 2011 – 2015)



Sweden: Book market, key parameters, 2011 to 2015. Source: Swedish Publishers' Association, SvF

For 2015, Bonnier had reported an "extremely high growth rate for digital books" which had been up by 69 %, with digital accounting now for 10 % of revenues and 12 % of unit sales, with notably audio-books performing particularly well. (Quoted in Svenska Förläggareföreningen, Boken 2016)

Already in 2014, ebooks represented 6% of the groups overall publishing sales in 2014, at a value of 14 mSEK, which was 55% over 2013 (which includes trade ebooks as well as digital textbooks). Revenues from digital audio-books added another 26 mSEK, hence almost twice the value of ebooks. Remarkably, Apple's iTunes platform accounts for 25% of all ebook sales at Bonnier (Bonnier information provided for this report; and [press release](#), 29 Jan 2015).

These figures from Bonnier are exceeding numbers for the overall Swedish ebook segment very significantly. The Swedish ebook segment had been said to account for only an estimated 1% of the trade market, with recorded revenue of 12.3 million SEK in 2014 (down from 14.2mSEK in 2013).

Statistics on digital sales as provided by the Swedish publishers' association for the years 2014 and earlier have always been problematic - which the association openly deplored, and stopped digital reporting for 2015 - as major sales channels have not been included. This was the case for platforms like Apple's iTunes store and notably the increasingly popular domestic subscription services [Storytel](#) and [Readly](#) (which is also offering a broad choice of magazines through its subscription).

For 2015, Storytel claimed to have 200,000 paying customers (up from 107,000 in 2014).

So despite the recent decline in recorded ebook sales, it seems that these new flat rate services, a wide variety of new approaches seems to have been fairly successful in opening new channels to consumers, even if no data are currently available to measure their reach. These include newly created dedicated ebook publishing ventures such as the short form digital publisher [Novellix](#), podcast channels bringing audiobooks to music streaming platforms like [Spotify](#) (for details see [here](#)), or the use of Apple's iTunes for books.

Amazon still does not operate a local Swedish shop, but signed an agreement in April 2014 with Bokrondellen, that allows it to incorporate almost any title from most Swedish publisher. ([The Bookseller](#), 21 Apr 2015)

Initially, it was not the traditional actors of the book sector who kick started ebooks in Sweden, but libraries, as they account for about 85% of the ebook market by 2012, according to identical statements provided for this report by the trade magazine [Svensk Bokhandel](#) and the leading Scandinavian ebook distribution platform [elib](#). This strong role of libraries, and their popularity with many readers, has resulted in significant skepticism from publishers, on how to commercialize ebooks in meaningful ways. ([Publishing Perspectives](#), 22 Aug 2013) In 2013, the launch of a specialized platform to bring publishers and libraries together has been started under the brand name of [Atingo](#).

But also major book retail chains became active early on in the emerging ebook segment. The publishing and book-selling arm of KF, Akademibokhandeln (which is also linked, through the umbrella of KF, to Norstadts Publishing), and Bokus were also early innovators, as they launched an integrated reading and book-selling platform branded as [Dito](#) at the Gothenburg book fair in September 2011. In 2012, [Adlibris](#) launched its own e-reading device, Letto.

Denmark

Denmark: Key figures and parameters (Source: Danske Forlag, Mofibo)

Market size at retail value	€243m	2014 (1809mKr)
Trade market	€167m	2014 (1246mKr)
Number of new titles and re-editions		
Total revenue from ebooks	€6.3m	2014 (47mKr).
Number of ebooks sold	m	
Ave. price of an ebook	€	
Market share ebooks from total trade	%	
Revenue share at key publishers in%	15 to 17%	In fiction sales
No price regulation. VAT at 25% for both print and ebooks.		

After a period with a period of sensible decline in book sales, from €80 million in 2011 to €71 million by 2013, caused mostly by the overall economic slump, the market has recently stabilized with 2014 being up 0.8%.

With a population under 5.5 million (yet in one of Europe's most developed regions, located between Germany and Sweden), Denmark hosts a significant publishing industry, with internationally active groups such as

Egmont and Gyldendal, as well as significant local branches of major players in both publishing and retail from other Scandinavian countries, including Swedish Bonnier. The majority of the highly educated reading audience is fluent in English, to the point where translations into Danish are significantly impacted.

Local publishers—notably, Egmont, Gyldendal, Lindhardt og Ringhof, Politikens Forlag, and People's Press—release ebooks and are extending their catalog to an expected list of 13,000 titles by 2013. Distribution has been organized through a consortium-driven platform, [Publizon](#), which was founded in 2005.

Ebooks are primarily relevant for fiction titles, where by 2014 they account for some 15 to 17% of sales (up from 8.7% in 2013).

According to various reports, Denmark has recently seen a remarkable surge of enthusiasm for subscription services, triggered by the 2013 founded Danish service [Mofibo](#). Available in Denmark and Sweden, and with plans to expand further internationally, Mofibo holds a catalog of 10,000 Danish and 4,000 Swedish titles, from including the five leading Danish publishers, claiming a 67% stake of an ebook market in Denmark which has, driven by the service's success, from revenues of 274,000 ebooks sold in 2012, to 465,000 in 2013, and almost double that number, 867,000 by 2014. (Information provided by Mofibo, based on the 2014 [statistics report](#) Danske Forlag).

For more details, see the chapter on Subscription Services.

Ebooks in Central and Eastern European (CEE) book markets

By Miha Kovac

With Central and Eastern Europe, we consider a set of countries stretching from Baltic to the Adriatic, squeezed between Germany in the west and Russia in the east. Four different sets of languages are spoken in the area: Lithuanian and Latvian belong to the group of Baltic languages, Estonian and Hungarian are Uralic languages, Polish, Czech, Slovak, Slovene, Croatian, Serbian and Bulgarian are Slavic languages and Romanian is a Romanic language. With the exception of Poland (38 million inhabitants) and Romania (20 million inhabitants) all have less than 10 million inhabitants (Estonia, Latvia, Lithuania, Slovakia, Slovenia, Croatia less than 5 million). Throughout second half of 20th Century, these countries were all part of communist block (either as independent countries or as a part of bigger multi-ethnic states or empires as were Yugoslavia and Soviet Union) and some of them share centuries of common history as they were part of Habsburg empire (Hungary, Czech republic, Slovakia, Slovenia, Croatia and parts of Poland and Serbia).

Today, most of these countries are EU and NATO members (Poland, Hungary, Czech and Slovak Republic, Bulgaria, Romania, Latvia, Estonia, Lithuania, Croatia and Slovenia). In 2014, their GDPs were below EU average and close to Greece (25.600 USD) and Portugal (27.800 USD), the lowest being in Serbia (13.600 USD per head) and the highest in Estonia (28.700 USD), Slovakia (29.500 USD) Slovenia (30.000 USD) and Czech republic (31.500 USD).

In book business, these countries share similar vertical structure of the book market: with the exception of Estonia, in all CEE publishing houses own bookstores or major retail chains and/or vice versa. In most cases, these chains are the biggest in their respective countries. In this respect, the most interested case seems to be Croatia, where in 2014, three biggest trade publishing houses [Mozaik](#), [Profil](#) and [Algoritam](#) merged their stores into jointly owned chain [APM](#), now far the biggest in country. Newly established chain inherited huge financial problems from its founding partners, had to disinvest in 2015 and caused problems to many publishers with delayed payments. Nevertheless, such turmoil was accepted with tolerance as the chain is still considered as one of the backbones of the Croatian book markets.

Regardless of such similarities in the book markets' structure, these countries differ significantly in their reading habits: in an 2013 Eurobarometer survey for example, Poland (44%), Romania (48%), Croatia (44%) and Bulgaria (44%) ranked as countries with the highest percentages of non-readers in EU (first being Portugal with 60% of non-readers) whilst on the other side, Czech republic (28%) and Estonia (22%) ranked among the countries with lowest percentages of non-readers in EU (first being Sweden with 9% of non-readers).

Similarly as these countries have different reading habits, so differ the sizes of their book markets in comparison to the number of inhabitants: For example, according to [Polish Book Institute](#), in Poland the turnover of the book industry in 2014 was 582 million € (minus 7.5 % over 2013), whilst in Slovenia it was 77 million € (from 80 million in 2013); and according to Tauno Vahter, the turnover of the Estonian book market was between 35 and 50 million €. This makes the Polish book market eight times bigger than the Slovene, and sixteen times bigger than the Estonian. However, correlated with each country's number of inhabitants, spendings per head on books was 15,3 € in Poland, 35 € in Slovenia, and 30 € in Estonia, thus narrowing the differences between the three book markets, and indicating that people in the smaller two countries seem to be willing to spent more on books than in Poland.

Most of the respondents showed signs of optimism concerning the printed book markets: In most cases, these markets were stable or slightly growing. Small exceptions were Poland, Hungary and partially Slovenia,

but even here, the decline was not caused by turmoil on trade markets, but rather by decisions of the respective political authorities that introduced centralized textbook provision systems which significantly cut turnover in the educational markets, and strongly resemble educational publishing practices in the distant Socialist past. In January 2015, to give just one example, in Hungary, tens of thousands protested the centralization of the Hungarian educational system and – among others – requested a de-centralization of the textbook regime. Especially in those countries where textbooks were distributed through bookstores, such governmental decisions might end up to collaterally impact on the trade publishing business, too.

In all CEE, ebooks are predominantly published by the largest publishers. In revenues, ebooks do not play any significant role in newly released titles, not even in fiction which is the dominant ebook genre throughout the region. Nevertheless, by comparison to 2014, most of the ebook markets have grown. In Poland for example, the ebook market was estimated at 14 million € (a bit less than 3% of the total book market) and has grown by 16.5% in comparison to 2013. In Estonia, Ain Lausmaa from the Estonian ebook Centre estimated the ebook market share at 2,75%. In the Czech Republic, both market researcher Jiri Travniček and publisher Vladimir Pistorius estimated that the ebook market had grown above 1.5% of the overall trade market, equaling a more than 30% increase by comparison to 2014. In Slovakia, Radovan Ščibrany estimates the ebook market to be between 1% and 2%. In Slovenia, Croatia, Latvia and Lithuania, the share of ebooks in trade publishing remained around 1% or slightly above. In 2015 in Croatia, there was a significant setback on ebooks as two ebook stores, owned by two biggest telecom companies that operate in Croatia, had closed down.

In 2015, we noted a slow increase of ebook prices in some countries. In Estonia and Slovenia for example, ebook prices were close to prices of softcovers. This might be one important reasons for the slow growth of ebook markets, as from a reader's point of view, there was no financial incentive anymore to shift from print to digital.

With the exception of Slovenia, where hard DRM is still prevailing, in all surveyed CEE countries, the main form of copyright protection is watermarking.

In most of the region, the number of commercially available ebook titles is still below the average annual title output: in Estonia and Lithuania the number of yearly published titles is around 4000, and in both countries, there are around 2000 ebook titles available; in Slovenia, the average annual title output is between 3500 and 4000, and there are around 3000 ebooks available; in the Czech Republic, the annual title output in 2014 was around 16.000, and there were around 12.000 ebooks available; in Hungary and Romania, the annual title production was between 10.00 - 14.000 and the number of available ebooks was around 7000 in the former and around 5000 in the latter country. The only exception was Poland where, according to the Polish Book Institute, the number of available ebooks (37.000) was above the annual title output (32.000).

All this indicates that, by comparison to the print book markets, the choice of available ebooks is still relatively low, forming yet another obstacle for a digital transition in CEE. Nevertheless, the annual ebook production in all CEE countries indicates that this gap will close over the next few years, as in 2015 ebooks were published either simultaneously with print, or with a delay of 3 to 6 months. The leader in this area again seems to be Poland, where according to book market researcher Ewa Stefanowicz, titles on bestsellers lists are always available in print and digital format, indicating a simultaneous publication of both formats. Together with the biggest choice in titles, this may result in Poland to having become the leader in ebook growth in the region.

Similarly, in most CEE countries, online sales of printed books were below 20% in 2014, with the only exception again being Poland, where online book sales, at 36% (with an astonishing 7% increase by comparison to 2013) have a higher market share than brick and mortar bookstores (35%). According to ebook aggregator Radovan Ščibrany, online sales have 30% market share in Slovakia, and according to publisher Vladimir Pistorius, in the Czech Republic online sales have reached 20% market share, followed by 10-20% market share in Lithuania, Estonia and Croatia, and below 10% in all the remaining countries. In all the latter countries, the share of online sales was flat or only slowly growing. Unsurprisingly, countries with the highest online sales are also the ones with highest ebook sales.

Another important obstacle for the growth of ebook markets seems to be the higher VAT rates for ebooks. Namely, in all CEE book markets, different VAT rates apply to printed books and ebooks - 5% vs 23% in Poland, 10% vs 20% in the Czech Republic, 5% vs 25% in Croatia, 9% vs 21% in Lithuania, 9% vs 20% in Estonia, 9,5 vs 23% in Slovenia, 8% vs 20% in Serbia.

It should be stressed that in Slovenia, Estonia, Lithuania, Czech Republic and Poland, the majority of ebook sales were generated by crime fiction and thrillers. Even more so, Jo Nesbo was one of the top selling ebook authors in almost all CEE. It is worth noting that, with a small exception of Slovak ebook-stores and Slovene ebook library lending platform, romance fiction as a sub-genre was almost entirely absent from CEE bestselling ebook charts. As in Anglo-Saxon markets this genre almost entirely migrated to a digital format in a very early stages of ebook development, its absence from CEE ebook-stores either indicates an awaiting business opportunity for CEE ebook publishers, or this transition already took place, but outside the traditional publishing channels, and consequently below our radars.

Another terra incognita in CEE is English reading. As in the rest of the continental Europe, the market share of Amazon in English sales remains a mystery. The only country where such estimates (based on data supplied by booksellers) are regularly being done is Slovenia, where books in English have a 10 to 15% market share in both Slovene online and brick and mortar book stores (English textbooks included). In Estonia, both Tauno Vahter from Tänapäev and Ain Lausmaa from the Estonian Ebook Centre estimate sales of books in English to account for around 10% of the Estonian trade market. All other respondents replied that the impact of import of print and ebooks in English is nonexistent. As we shall see latter, based on findings of in-depth reading surveys among young adult population in Slovenia, we doubt such estimations.

Subscription models and ebook library lending are very much in the nascent phase in entire region. The only country with an operating ebook library platform, that is used by all the public libraries, is Slovenia, where the publishing house [Beletrina](#) runs an ebook library platform branded as [Biblos](#). Consequently, Slovenia is the only country in CEE where the number of loaned ebooks is higher than the number of sold ebooks. The business model is not very publisher-friendly: libraries buy ebooks for the same price as a consumer, and after every 52th loan, they have to re-new the license. Therefore, when an ebook is particularly popular with readers, the average income per loan for the publisher is around 20 cents. Unsurprisingly, publishers of biggest print bestsellers avoid selling ebooks to libraries as long as these books are on print bestseller lists (where a successful title can generate sales up to 10.000 copies). A number 1 in ebook loan charts in 2015 for example was the biography of a Slovene actor, Boris Cavazza, written by Vesna Milek (502 loans), and number 10 was Susan Elisabeth Phillips (243 loans); both these titles generated almost no ebook sales, whilst in print format, Milek sold more than 5000 copies and Phillips above 1500. Even more so, Dan Brown's Inferno generated around 500 ebook sales in 2014 (by comparison to around 10.000 copies sold in print), with no digital copies available in libraries. On the other hand in Estonia, where no ebook library platform exists, according to Tauno Vahter, in 2015 the number 1 in ebook sales was David Lagercrantz' The Girl in a Spider's Web with around 2500 ebooks sold, and number 10 was Jo Nesbo with Cockroaches at 850 ebooks being sold. This comparison between Slovenia and Estonia indicates that at least in the segment of bestsellers, ebook lending platforms very likely significantly impact ebook sales.

Last but not least, it should be stressed that in all CEE, there was a rise in popularity for digital learning tools. After discussing this issue with some publishers, we assume that in some countries in the region, for some courses in primary and secondary education, more learning materials were available in digital format than in print. One of the regional market leaders in digital publishing is the German educational publisher [Klett](#), the only foreign publishing company that is making serious investments in that region. In early 2015, Klett entered the Croatian market by taking over the educational arm of Profil by then second educational publisher both in Croatia and Serbia. As Klett already had an educational publishing company in Slovenia and Serbia, the take-over made Klett the biggest educational publisher in South-East Europe, ever more so, as Klett has offices in Poland, Bulgaria, Slovakia and the Czech Republic. Due to its investments into digital, the company had become a regional trendsetter, too. We plan to include more of such information in the Global Ebook Report 2017.

Country profiles

Poland

According to the Polish Book Institute, after a short period of 0.4% growth in 2013, the Polish book market faced a 7.5% decline in revenues in 2014 (from € 640 million to € 582 million). According to market researcher Ewa Stefanowicz, a significant drop of sales took place in education publishing as the state centralized the provision of textbook for first three years of primary education.

The value of ebook market in 2014 was estimated to 56 million Zloti or € 14 million, what is 16,5 % more than in 2013 and represents 2,4% of the market. As for ebooks, around 37.000 titles were available, with half being from commercial publishers.

Ebook retailer Mikolaj Malaczinsky estimates that around 80% of general and genre fiction are being published both in print and digital formats. Top ebook sellers reach 7-10% of the print title sales. The best-selling titles are often the same as the best sellers from brick and mortar bookstores.

According to the Polish Book Institute, the three largest publishers in 2014 were the same as in 2013 (Nowa Era, [WSIP](#) and [Wolters Kluwer Polska](#)). All three have a strong presence in education. The three largest retail chains are [Empik](#), [Matras](#) and [Ksiażnica Polska](#), which replaced [Swiat Ksiażki](#) in the top trio. As in the rest of CEE, the Polish market sees strong elements of vertical integration: The retail chain Empik for example owns the [Foskal](#) publishing group, and the [PWN](#) publishing group owns the [Azymut](#) retail chain.

Online sales represent 36% of all sales, a significant rise from 29% in 2013. According to Paweł Waszczyk from Bibioteka Analiz, the biggest Polish online booksellers are [Allegro.pl](#) (auction service) at a 25% market share, [Bonito.pl](#) (Bonito.pl/Aros.pl, as two firms under one joint ownership) at a 18% market share, Empik.com with 12% market share, [Ravelo.pl](#) with 7% market share, and [Merlin.pl](#) with 7% market share. About 30% of the online market is controlled by a group of 20 to 30 online sellers.

In 2015, the most popular service providers to ebook publishers were PDW, [Virtualo](#) and [Woblink](#). Ebooks are usually 20% discounted from printed books. The prices are set by the publishers. The five largest consumer ebook selling platforms were Empik.com, [Publio.pl](#), Woblink.com, Virtualo.pl and [Legimi.pl](#). Amazon has no presence in Poland, and Apple's market share was around 5%, so that 95% of the Polish ebook market is controlled by domestic platforms. Some of the largest publishers were also offering self-publishing solutions to their customers but self-publishing (predominantly focusing on fiction) did not play an important role on the market.

According to respondents to our questionnaire, around 95% of ebooks were protected by watermarking, and only 5% by hard DRM.

In 2014, ebook bestselling titles included authors such as Paula Hawkins, Katarzyna Bonda, Lee Child, Karin Slaughter, Camilla Läckberg and Andy Weir.

Our respondents estimated that Amazon's sales of ebooks in English don't significantly impact the market. According to Paweł Waszczyk, sales of bestsellers in English are estimated to represent 1% of the sales of polish translations of the same title.

Slovenia

In 2015, the Slovenian book market was flat. The biggest players on the market were [Mladinska knjiga](#) and [Učila](#) (both predominantly trade publishers) followed by educational publishers [Rokus Klett](#) and [DZS](#). The vertical market integration is paramount, as the leading publishers Mladinska knjiga, Učila and DZS own the three

biggest bookstore chains.

Ebooks represent around 1% of the market and their share is slowly growing (yet no exact numbers are available). The number of available ebook titles is between 2,000 and 3,000. Ebooks generate around 3% of all revenues for bestsellers and around 1% for midlist titles. Self-publishing platforms don't generate any significant income. As in the rest of the region, the biggest segment in ebooks is crime fiction, with Jo Nesbo as the number one bestselling writer. Ebooks are usually released together with the paperback edition (3 to 6 months after the hardcover edition) and the prices of ebooks and paperbacks are equal (and 30-50% lower than the prices of hardcovers). The prices of ebooks are set by publishers.

The main publishers of ebooks are Mladinska knjiga and Beletrina. The former company owns e-emka, the biggest ebook-store in country, and Beletrina owns Biblos, the library ebook distribution platform. Both platforms use hard DRM. Biblos connects all public libraries. As a result, Slovenia is the only country in the region where the number of ebooks loans in public libraries is significantly higher than the number of sold ebooks. As already mentioned, commercially successful publishers avoid selling bestsellers to Biblos as they consider it not lucrative enough. In 2015, some smaller publishers such as Sanje and Didakta entered the ebook market, the latter making a significant impact with a Nesbo series especially in libraries (Nesbo quite interestingly failed as a major bestseller on the print market, but became most popular through library lendings).

Online sales of print titles are estimated to account for 3-5%. The main online seller of printed books is Emka (owned by Mladinska knjiga) followed by Felix.si (owned by Učila) and some smaller competitors such as Beletrina, [Galarna](#), [Buča](#) and [Bukla.si](#). As Amazon and other global online retailers do not sell Slovene print books, their impact is non-existent. Based on data of the Mladinska knjiga bookstore chain, the import of printed books in English is estimated to account for 10-20% of the market, which does not yet include an unknown number of ebooks and print books in English sold to Slovenia directly via Amazon).

According to a book buying and reading survey conducted in summer 2014, more than 20% of Slovenes regularly read in English. The survey even discovered a tiny group of young consumers reading only in English, and predominantly using fan fiction online reading platforms. Researchers from the Ljubljana School for Social sciences found that these readers never buy ebooks but use free content –legal or pirated – only. Nevertheless, they find ownership of a printed book as an important part of their fan identity and consider it to be natural paying for that, with a preference for English over Slovene books in all those cases. Feeling more at home on English language fan websites, their reading, writing and socializing had entirely moved out of their domestic cultural context. Undoubtedly, it is too early to make any long-term predictions here, but nevertheless if such trends expand elsewhere in Europe, these readers can be seen as a “cloud generation”, producing as well as consuming the majority of cultural content online and out of their domestic cultural context.

Sources: Renata Zamida (Beletrina Academic Press), Rok Gregorin (Mladinska knjiga) and Miha Kovač

Estonia

According to Tauno Vahter, editor in chief of Tänapäev Publishers, Estonian book market faced small growth especially in the last quarter of 2015.

Estonian book market is the only in the region without a strong vertical integration. The biggest retail chains are [Apollo](#) and [Rahva Raamat](#), and the biggest publishers are [Varrak](#), [Pilgrim](#) and [Tänapäev](#).

As in 2014, online sales of printed books represent around 10% of the market in 2015. The biggest Estonian ebook publishers are Varrak, [Petrone Print](#), Tänapäev, Pilgrim, and the biggest online ebook platforms are rahvaraamat.ee, apollo.ee, iTunes and [raamatukoi.ee](#). According to Tauno Vahter, the main players on the market are the Estonian Ebook centre as an aggregator, and Rahva Raamat (a retail chain, which started also to sell e-books). There were three typical price ranges for ebooks: for out of copyright titles 3-4 €, midlist fiction

10-12 € and new and crime titles at 15-17 €, with strong indicators for a rise in prices.

Ain Lausmaa from the main Estonian ebook aggregator Estonian Ebook Centre estimated the share of ebooks in trade publishing to 2 to 7 %. Watermarking has replaced hard DRM for rights protection.

Imports of books in English has been estimated at 10 % by our correspondents.

Sources: Tauno Vahter; Arūnas Gudinavičius: An overview of Digital Publishing Market in the Baltics, Libelarium VI (1.2) 2013.

Lithuania

As in 2014, the Lithuanian book market was flat in 2015 and still 20% below its top years of 2008 and 2009. The biggest players in the publishing markets were [Alma Littera](#) and [Svajoniu Knygos](#), and the biggest bookstore chains are [Pegasas](#) and [Vaga](#). The vertical integration is strong, as Pegasas is owned by Alma Littera, and Vaga is both a bookstore chain and a publisher.

There is no data available regarding the share of online sales in the overall book market. The biggest online booksellers are [Knygos](#), [Skaitykle](#) and Pegasas. The ebook market is dominated by the two largest players, Alma Littera and Svajonių Knygos.

Sakitykle is the leading ebook store, followed by Knygos and Pegasas. The biggest ebook publishers (by the number of titles) are Alma Littera, [Eridanas](#) and Svajoniu knygos.

From 2012 on, the number of ebooks in Lithuanian is growing by 30% per year, but the sales are more or less flat. In 2013, the Lithuanian ebook market was estimated at 90,000 €, with around 2,000 ebooks available in trade market (predominantly fiction) and around 1,800 textbooks. According to Arūnas Gudinavičius, around 0.5 % of fiction sales and 1% of textbook sales were generated by ebooks.

Global online retailers are not present in the market, neither in print nor in digital format. The impact of sales in English is estimated at up to 5% in fiction, both in print and in digital. The English book market is seen as growing, yet with no data available.

Sources: Arūnas Gudinavičius; Arūnas Gudinavičius: An overview of Digital Publishing Market in the Baltics, Libelarium VI (1.2) 2013.

Croatia

In 2015, the entire Croatian book market was still declining, a development which had started in 2008. The main publishing houses were [Školska knjiga](#), Mozaik, Algoritam and Profil, and the main bookstore chains were APM, [VBZ](#) and [Tisak](#). The vertical market integration is strong, as all major publishers own at least one bookstore. Even more so, in 2014 the three biggest trade publishers (Algoritam, Profil and Mozaik) merged their chains into a new “superchain”, APM, arguably forming the biggest industry consolidation in region. As the newly established chain inherited a lot of problems from its founding companies, it has to recapitalize, with repercussions for the entire Croatian book market.

Ebooks are estimated to represent less than 10% of the Croatian book market. There were 1,500-2,000 titles available; around 20-25% of new trade titles were published as ebooks, about one quarter of them simultaneously with print edition.

In summer 2015, the Croatian ebook market suffered a significant setback: The two biggest ebook retailers, [VIP knjižara](#) and [Planet 9](#), closed down due to a lack in profitability. Both companies were owned by foreign telecoms (the former by Deutsche Telekom and the latter by Telekom Austria Group). As a result, the

subscription platform [TookBook](#) remained the biggest ebook provider in Croatia, offering a set of ebooks in Croatian for a monthly fee of 39 kunas (around 5 €). As APM hasn't opened an ebook store yet, Croatia seems to be the only country in region without an ebook store to offer the majority of current print bestsellers in a digital format.

Our respondents estimated the share of books in English both in print and in digital format to be minimal. Nevertheless, a reading survey in 2013 showed that 13% of Croatian book readers are reading in English.

Self-publishing does not play a significant role in Croatian market.

Sources: Zoran Velagić, researcher (University of Osijek)

Czech Republic

The Czech market was growing slowly in 2015. The main publishers that also deal with ebooks are [Albatros Media](#), [Kniha Zlín](#), [Martinus](#) and [Dokořán](#).

The main bookstore chains are [Kanzelsberger](#), [Dobrovský](#), [Karmelitánské nakladatelství](#) and [Kosmas](#).

In 2015, the biggest online selling platforms were Kosmas, Martinus, [Palmknihy](#) and [Wooky](#), and the biggest ebook sellers were the [Euromedia Group](#), Albatros Media, [Grada](#) and [Fraus](#). Their market share was estimated at 20%. Vladimir Pistorius estimates that there are around 12,000 commercial titles available on the Czech ebook market. In fiction, many publishers release ebooks together with print edition. Ebooks were heavily discounted in comparison to print books. According to Pistorius, the average ebook price was 150 čzk (€5.50), and average price for a printed book was 240 čzk (€8.80).

Jiri Travniček estimated ebooks to have a market share of 1.7%, 0.2% more than in 2014. There were no self-publishing platforms. Bestselling ebook authors were Jo Nesbø and David Lagercrantz.

Amazon has no presence on the Czech book market.

Information provided by Jiri Travniček, literary scholar and Vladimir Pistorius, publisher.

Serbia

In 2014, the Serbian book market was flat, yet over the last three years, slight growth has been reported. The market structure is vertically integrated, as the main publishers [Delfi](#), [Vulkan](#) and [Evro-Guinti](#) also own the biggest retail chains and online bookshops.

The ebook market was estimated at under 1%, with only 200-300 ebooks available. Self-published titles do not play a significant role. Ebooks are predominantly published by specialized publishers such as [Kniževna radionica Rašić](#), New Look Entertainment and [Agencija TEA books](#).

Slovakia

On a flat Slovakian book market in 2015, around 3,500 ebooks were available and their sales generated around 1-2% of all incomes in trade. At the largest Slovakian online book store, Martinus.sk, for example, ebooks had a market share of around 5%. Nevertheless, Radovan Scibrany from the Slovak ebook aggregator [Dibuk](#) estimates that for some authors (such as Jorn Lier Horst), revenues from ebook sales represent up to 40%. Overall, ebooks account for up to 15% of revenues in genre fiction, like romance, or thrillers.

Retail prices of ebooks vary between €2.90 and €9.90, and are recommended by the publishers, although

retailers can alter them within a given range. The biggest Slovak publishers, [Slovart](#) and [IKAR](#), have the biggest market share in ebooks too. However, in 2015, a set of smaller or specialized ebook publishers such as [Premedia](#), [Slovenský spisovateľ](#), [Artis Omnis](#), [Motýl](#) and [Marenčín PT](#) made a strong entry into the market. The biggest publishers usually simultaneously publish digital and print editions.

Besides Martinus.sk, the leading Slovak ebook sellers are [bux.sk](#), [rajknih.sk](#) and [skvelo.sk](#). All four operate on platforms created by two main Slovak ebook generators, Dibuk and Wook.

Slovakia is one of the few countries in CEE with a self -publishing platform ([publico.sk](#)) and with some authors that publish both in publishing houses and through a self-publishing platform. Libraries do not play any significant role in ebook lending.

About 95% of ebooks are watermarked and only 5% of books are protected with hard DRM.

Source: Radovan Ščibrany (Dibuk)

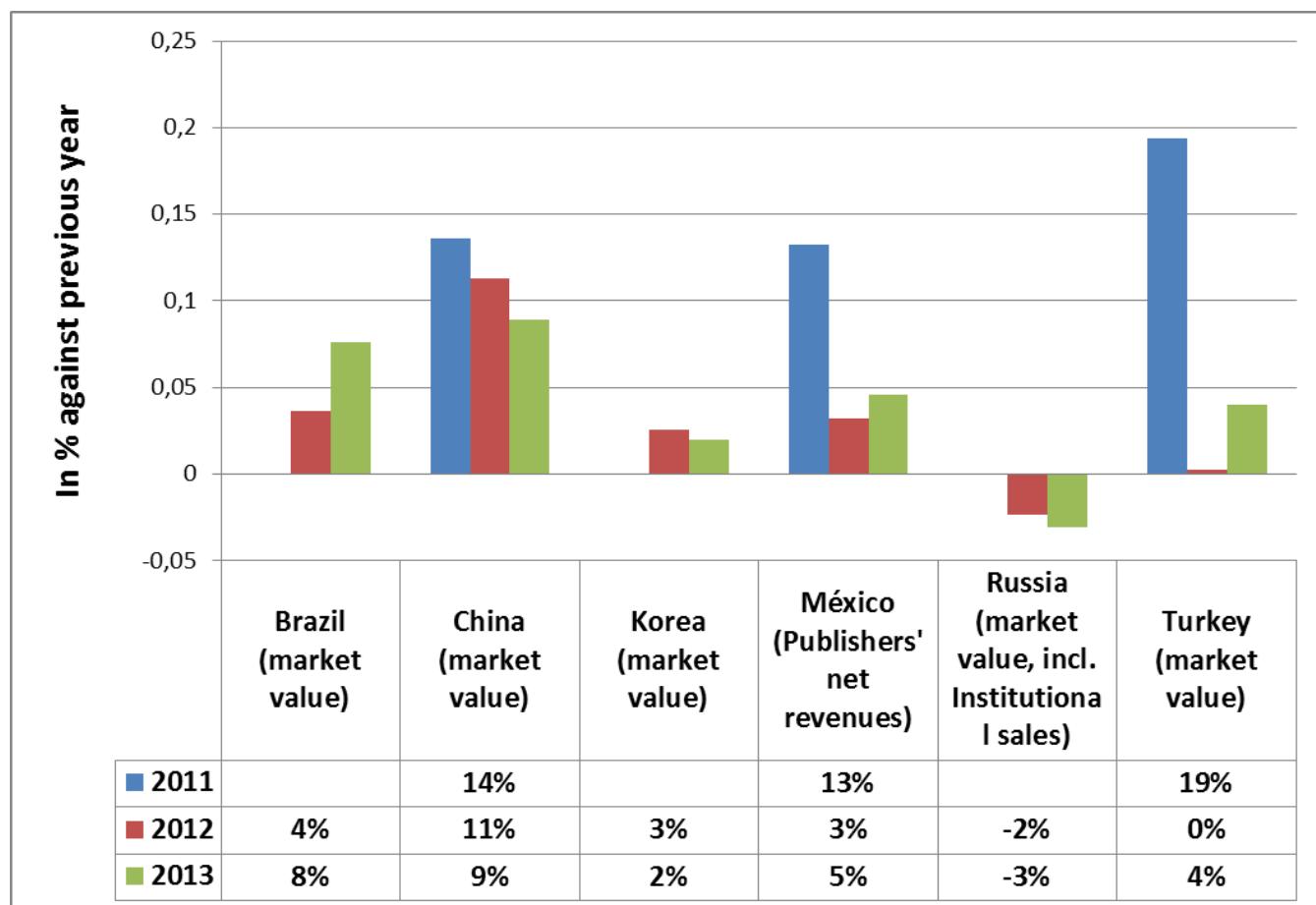
Part 4: Emerging Markets

Emerging Markets

The BRIC markets - as a shortcut for the quickly expanding economies of Brazil, Russia, India and China -, as well other 'emerging economies', such as Mexico, or Turkey, have been lauded as role models for catching up not just economically, but for improvements in their societies in a much broader understanding, not the least with regard to education as well as quality of life for at least an expanding middle class.

Books, and publishing, have mirrored the evolution, as citizens of these countries have increasingly invested into a better education for their children - which could directly be translated as new opportunities for publishers, both domestic and international, to cater to this new demand by providing books - textbooks and other learning materials, as well as leisure reading.

This exemplary model of development and growth has not only slowed down recently. The four BRIC countries, as well as many other emerging economies have seen increasingly differences in their countries' respective evolution. Even China's spectacular growth has significantly slowed down, and this development is mirrored by the publishing sector, too. And in Brazil, inflation has eaten up much of the increase - as is shown in the following overview, and analyzed in more detail and depth in the subsequent country close ups.



Evolution of publishing markets in selected emerging economies in %, 2011 to 2014. (Sources: National professional organizations)

The following portraits of Brazil, China, India and Russia are exemplary case studies for these developments. For each country, ebooks and digital developments are looked at in the wider context of the total book market, with special emphasis also on the dynamics opposing domestic with global players, to allow an understanding of often complex and highly specific contexts and outlooks.

The chapter on Latin America: Overview and general developments is mostly drawn from a report written by Javier Celaya, [Dosdoce](#), for [Bookwire](#) in 2015.

Brazil

By Carlo Carrenho

The book and publishing sector in Brazil: Facts, figures, top players, and trends

Publishers' Net Revenues	R\$5,409m / €1,684m ¹	2014
Market Value	R\$7,517m / €2,340m ²	2014
Government purchases	R\$1,239m / €386m ³	2014
Number of available ebook titles from publishers	50,000	
Number of available ebook titles from self-publishers at the regular eBookstores	15,000 to 20,000	
Total value of publishers' revenues from ebook sales	R\$35.1m / €8.15m ⁴	2015
Digital sales units share in the private market	4.27% ⁵	2015
Digital sales revenues share in the private market	2.57% ⁶	2015

In real terms, the Brazilian market has been almost flat for the last 10 years.

Introduction

The fifth largest country in the world in territory and population, with the eighth largest world economy, has of course some importance to the global publishing industry. Protected by the Portuguese language, the only official language spoken in the country, Brazil has a publishing industry dominated by domestic actors, and only a limited presence of large foreign groups. In the trade segment, Penguin Random House (PRH) and HarperCollins (HC) are the only Anglo-Saxon publishers with a relevant stake in Brazil. PRH owns 45% of Grupo [Companhia das Letras](#) and HC owns 75% of Harpercollins Brasil and 85% of [Thomas Nelson Brasil](#), both under joint venture agreements with the Brazilian group [Ediouro](#). Portuguese [LeYa](#) and Spanish [Planeta](#) also have trade houses in Brazil that rank among the top ten largest trade publishers in the country.

In educational publishing, several important mergers and acquisitions have occurred in 2015. For instance, [Tarpon Investimentos](#), a private equity fund, acquired control of [Abril Educação](#) in the beginning of 2015. Later in the year, it acquired the publishing division from the [Saraiva](#) group and merged them all together in a renamed company called [Somos](#) (the Saraiva division was completely handed over in February 2016). The new company consolidated two of the top four K12 publishers in Brazil, and imprints Saraiva, [Ática](#) and [Scipione](#) are now controlled by the same group.

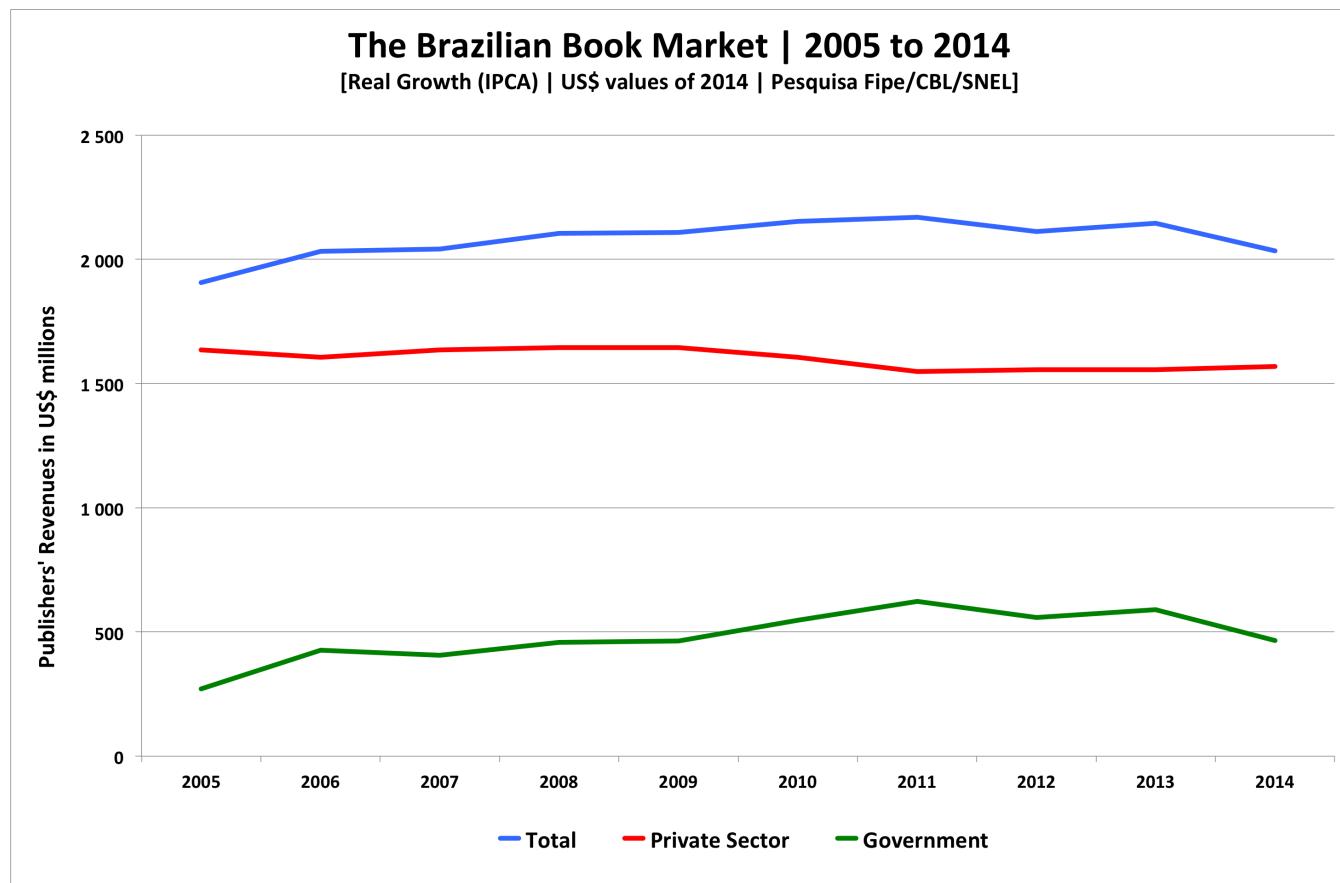
Higher Education also had its share of mergers and acquisitions in 2015. Brazilian [Grupo Gen](#) acquired Elsevier's law division and the whole Atlas publishing house, bringing it together under its umbrella. And Saraiva, as mentioned before, was acquired by Tarpon Investimentos' Somos.

Generally speaking, the share of Brazilian publishers in educational publishing is even larger. In the K12 segment, Spanish [Santillana](#) and SM are the only significant foreign presence, competing with local Somos, [FTD](#), and other Brazilian middle-size publishers. [Pearson](#) has a strong presence as well, but more limited to learning systems licensed directly to schools. [Oxford University Press](#) and [Macmillan Education](#) are also

present in Brazil, but publishing mostly ELT titles. In higher education, Brazilian publishers Somos, Grupo Gen and [Grupo A](#) have a domestic stronghold in the country. Elsevier is also an important player, and together, these companies can be labelled as the Big Four of Brazilian higher educational. Pearson, [Thomson Reuters](#) and [Cengage](#) are also present, but more discretely, while [McGraw-Hill](#) has a strong partnership with Grupo A, who publishes their books in Portuguese. Wiley and Springer have offices in the country, but Wiley does not publish any local print products. However, it consistently sells digital publications to the federal government.

The Economic Crisis

For several years until 2013, the Brazilian economy was a history of growth and success. Brazil, the eternal country of the future, seemed to have found its fruitful present. Even though the book market never reflected the general economic growth (see graph below), it benefited from Brazil being under the spotlight. The country was the Guest of Honour in Frankfurt in 2013, and also at several other events. And any company with a minimum of global strategy had Brazil on their radar.



But then came 2014. In that year, the Brazilian GNP grew only 0.10%. In 2015, the economy was highly affected by the continuing drop in demand and price of commodities, by the bad management of public finances and by the Petrobras' corruption scandal that basically brought the construction sector to stop. The result was a 3.85% drop in the GNP and inflation above 10% in the year.

Additionally the Brazilian government canceled their program of book purchases. Purchases were delayed and payments postponed. Considering that the government's purchases traditionally added up to a quarter of publishers' revenues, the policy change had a serious impact on the sector, which added to the negative effects of the GNP drop and the inflation. The Brazilian Book Chamber and the Brazilian Publishers Union had not released its annual market report for 2014 by the time this report was finalized. Nielsen Bookscan, however, shows nominal growth of only 3.43% in 2015, what represents a drop of 6.54% in real terms after considering an inflation of 10.67% for the period, using the IPCA index. One must keep in mind that Nielsen Bookscan covers

around 65% of the Brazilian trade market. An educated guess for the overall Brazilian book market decline in 2015 would be between 12% and 14%, depending on how deep the government's expenditure cut was.

The exchange rate has also suffered severely in Brazil in 2015. The local currency, the Real, lost 25,36% of its value against the Euro in 2015.

The largest Brazilian trade publishing groups in 2015, by revenue from the private sector only, were the following:

1	Sextante
2	Companhia das Letras (PRH)
3	Record
4	Intrínseca
5	Globo
6	Ediouro (Harpercollins)
7	Rocco
8	LeYa Brasil
9	Planeta do Brasil
10	Novo Conceito

In educational publishing, the top three publishers are Somos, FTD and Moderna (Santillana).

The largest Brazilian booksellers are the following:

1	Saraiva	112 stores
2	Leitura	62 stores (brick and mortar only)
3	Cultura	18 stores
4	Curitiba	24 stores
5	Nobel	200 stores, including kiosks
6	Submarino	online only
7	FNAC	12 stores
8	Amazon	online only
9	Travessa	7 stores
10	Livraria da Vila	8 stores

On the retail front, Amazon started selling printed books in Brazil in August 2014. The Seattle giant, however, has been getting less traction than the market expected, and it is responsible for somewhere between 2 to 5% of the largest publishers' sales, with a huge variation. The opening of the Amazon online store for printed books, however, has driven more attention to the online discount battles and revived the discussion of a fixed-price law for books in Brazil. A bill has been presented in the Congress in March 2015 regarding the matter, but it will be a long walk before decisions are taken and result in a parliamentary vote. The great majority of booksellers and publishers, however, support the idea of a fixed-price regulation.

The largest domestic bookseller is by far Livrarias Saraiva. The chain was part of the Saraiva Group, which included Saraiva Publishers until the end of 2015, when it was formally acquired by the giant Somos and merged with Abril Educação.

Saraiva started selling ebooks in 2010, but it was in August 2014 that the company really dove into the digital ocean with the release of the LEV device. LEV is a branded dedicated e-reader produced in China by the French company Bookeen for the Brazilian retailer.

Saraiva Group's CEO at the time, Michel Levy, was interviewed by Ed Nawotka, co-founder of *Publishing Perspectives*, a day after the launch of LEV. Levy was quite optimistic: "We have many markets in different stages of evolution. In Brazil the market for ebooks in general is still nascent and for that reason we think LEV is right for Brazilians right now. [...] We believe the e-reader has not been put out fully in the marketplace, in the segment of the market which is growing, and we identified this as an opportunity."

In addition, according to *Publishing Perspectives*, "a proprietary survey of Saraiva's customers revealed that some 70% of consumers had yet been exposed to an e-reader. Of those, 87% replied that they are interested in learning and potentially buying an e-reader".⁷

Mr. Levy, a former CEO of Microsoft in Brazil, left the company in November 2014, though, and the initial momentum for bringing the LEV into the market has lost some strength, particularly as Saraiva spent 2015 heavily focused on spinning-off its publishing division and elaborating a strategic plan for 2016 and beyond.

Amazon, Apple, Google and Kobo have been present in Brazil since 2012. Apple started selling ebooks into Brazil in October of that year, while the other three stores opened up on December 5, 2012. Due to the huge installed base of tablet and smartphones in the country, it was only natural that Apple and Google would have some traction. In addition, for the whole year of 2013, the Kindle device was not sold directly by Amazon in Brazil, but actually shipped from local e-retailers. It was only in January 2014 that Amazon had its logistics in place to start selling physical goods. The table below shows how market shares have been evolving in Brazil, based on an educated guess from publishers and other stakeholders' reports:

Estimated ranking of global and domestic ebook retailers. Consider a 5% error margin.

2012	2013	2014	2015	2015 Share
Apple	Apple	Amazon	Amazon	60%
Google	Amazon	Saraiva	Apple	15%
Saraiva	Saraiva	Apple	Saraiva	10%
Amazon	Google	Google	Google	10%
Kobo	Kobo	Kobo	Kobo	5%
Other	Other	Other	Other	0%

As the chart shows, Amazon has grown to the top position in two years. This was achieved organically especially through discount promotions accompanied by frequent newsletters to their customer base. The opening of Amazon's Brazilian printed books online store in August 2014 probably gave its digital sales some traction, but, as mentioned, the Seattle giant has not conquered a huge print market share yet in Brazil. It is interesting to note that August 2014 was a key month in Brazil for digital, since it was when Saraiva launched its branded device, and Amazon went physical, as if both companies were stepping on each other's turf at the same time.

Apple has been an important player in the Brazilian market despite the fact that technically it has not exactly opened a local store. When Brazilians buy Portuguese ebooks at Apple, they do it through a window to the US store. That means that the customer must have an international credit card to make the purchase, which is invoiced in US dollars. Worse, Brazilians pay a 6.38% tax, called IOF, on every international purchase through a credit card. Therefore, Apple found a way to have books taxed in a tax-free environment. For their credit, Apple now has a local team dedicated to vendor relationships in Brazil, and it seems to be more interested in the market than before. Publishers, however, need to export the ebooks to Apple, through a local exchange currency office, which are then sold abroad to Brazilians who technically re-import them into Brazil.

Google was not that different from Apple, but since November 2014 it is selling digital content locally, in Brazilian Reals (BRL), so local residents do not need an international credit card nor pay the IOF tax. Google has also created a Brazilian entity in 2015 to trade digital content, so publishers don't have to "export" their ebooks anymore as it happens with Apple.

In order to understand the positive performance of Apple and Google, it is key to look at the huge installed base of tablets and smartphones in the country. According to IDC, 5.8 million tablets were to be sold in Brazil in 2015, despite the economic crisis,⁸ and it forecasted 47.6 million smartphones to be sold in the country in the same year.⁹ These numbers theoretically are more favorable to Google, since over 90% of tablets and smartphone in Brazil use Android systems. However, Apple iOS users have more purchase power and read more.

Kobo is present in Brazil through a partnership with Livraria Cultura, but it has not gained much traction. One can easily see Kobo devices at Cultura stores, but Kobo's Brazilian partner fails to fully endorse the joint digital project.

For instance, when a customer visits Cultura's website and lands on a printed book page, there is no mention of the digital edition of the same book.

Apple and Google use the agency pricing model in Brazil. Saraiva uses the wholesale model, and Kobo has worked with both possibilities. Amazon only uses the wholesale model, but has accepted contract clauses with customer discount limitations, which were strongly demanded by some publishers. Most large trade publishers have succeeded in a 5% limit to customer discounts on only 10% of their catalogues.

The role of government educational programs

The Brazilian federal government is roughly responsible for one quarter of annual publishers' sales in Brazil. In 2014, for instance, 22,91% of the total publishers' revenues came from state purchases, and that added up to € 386 mi. Approximately 90% of these purchases happen under the [Programa Nacional do Livro Didático](#) (Textbook National Program), also known as PNLD and run by the Ministry of Education. This program acquires the textbooks to all K12 students in Brazilian public schools and it is operated through public bidding that normally take place two years before the books are delivered to the schools. The publishers present their books that can either be approved or not by a commission. Then, teachers and schools all over the country select what they want among the approved titles. Finally, when the selection process is done, the government

negotiates the purchases with the publishers. In 2015, over 28 million students received around 141 million copies that cost the government € 329 million, including the shipping costs.¹⁰

Needless to say, this program is key to any future development of digital educational books in Brazil, and the government has already started to demand digital content from the publishers. In 2016, nevertheless, the Ministry of Education reduced the digital part of the programs to only accessible books for the blind, but it hasn't been always like that. In 2012, when launching bids for the 2014 purchases, the Ministry of Education asked for digital objects related to the printed books and to be delivered on DVDs. In addition, after the printed books were approved and had their prices negotiated, the government went back to the publishers and offered to acquire their PDF files to be distributed to K12 teachers. In 2012, the Ministry of Education had launched the Educational Tablet program, which acquired around 600,000 tablets for \$75 million to be delivered in 2014. However, these tablets lacked content, so the purchase of such PDF files was part of the solution.

The results for this first digital attempt made publishers very satisfied with their payments and with the program. After all, just for the DVDs, they received € 21.1 million. The government, however, realized that the digital content was not much used by teachers and students, and decided to use a new approach in the following year.

In 2013, when launching bids for the 2015 purchases, the Brazilian government finally transitioned to asking for ebooks. The PNLD regulations, however, have never offered specifics about how these ebooks would be made available, in what formats, on what platforms, and at what price. In the following years of bidding throughout 2014 and 2015, nothing was specified either. The result is that the Brazilian educational publishers are forgoing much further investment in anything digital, waiting for the government to show the path it is going to take. Also, in 2015, the government did not purchase any digital content, ignoring the digital delivery of the 2013 PNLD program due to budget cuts.

Another question is that what started as ebooks to be used by the students in 2013, became teacher-only content in 2014 and, more recently, in 2015, the government was asking digital content not directly related to the printed books at all, but more focused on teacher training and orientation. As mentioned above, in the most recent bidding process, launched in 2016 for books to be used in 2018, the government asked only for accessible versions of the printed books for blind students and teachers, ignoring digital content for regular students. See the table below:

Government requirements for digital textbooks

Delivery	Launch	Grades	Digital Content	Format and Distribution	Comments	Financial Results
2014	2012	6th to 9th grades	10 very defined digital objects	DVD, one per book; PDFs for Educational Tablets	Digital depends on print approval; payment per DVD or flat fee (PDFs)	Excellent
2014	2013	Adult Education (Literacy Programs)	Digital Objects, for teachers only	DVD	No payment for digital content	None. Only one publisher proposed digital books.

Delivery	Launch	Grades	Digital Content	Format and Distribution	Comments	Financial Results
2015	2013	High School	ebooks; digital objects in very wide concept to be include in the ebooks as clickable items.	Content to be downloadable from publishers' website and be use in all possible OS.	Platform, ecosystem, DRM, distribution model and payment still not defined.	Not known yet
2016	2014	1st to 5th grade	ebooks for teachers only; digital objects in very wide concept to be include in the ebooks as clickable items.	Content to be downloadable from publishers' website and be use in all possible OS.	Platform, ecosystem, DRM, distribution model and payment still not defined.	Not known yet
2017	2015	6th to 9th grades	Teachers' manual eBooks, with digital objects not to be used in the classroom, but related to teacher orientation and training.	Content to be downloadable from publishers' website and be use in all possible OS.	Platform, ecosystem, DRM, distribution model and payment still not defined.	Not known yet
2018	2016	High School	Accessible versions of the printed books for the blind	Content to be downloadable.	Platform, ecosystem, DRM, distribution model and payment still not defined.	Irrelevant

Relevant ebook companies and service providers

Dedicated ebook distributors

Until the end of 2014, there was absolutely no presence of international digital aggregators and distributors in Brazil. Companies such as Ingram and Overdrive distributed English content to Brazilian ebookstores, such as Saraiva, but they were not aggregating local content. Therefore, the market was let to local companies. In the end of 2014, however, German Bookwire started operating in Brazil with a local office, a local team and a local entity operating in Reals. Ingram and Overdrive have yet to come to the market.

The two main Brazilian digital aggregators are [Xeriph](#) and [DLD](#). Xeriph was a spin-off of the first Brazilian ebookstore, now deceased, called [Gato Sabido](#) and was launched in 2009. In 2013, Xeriph was partially acquired by media giant [Abril](#) and started receiving a good capital influx. In September 2014, however, Abril has divested itself of the start-up and the aggregator lost its capitalized partner. Since then, the company has downsized and

has been facing fierce competition from other aggregators.

[DLD](#), an acronym for Distribuidora de Livros Digitais (DLD), is a consortium of seven publishers who joined forces to better negotiate and distribute their digital content, particularly to Amazon. They include Sextante, Record, Rocco, Objetiva (PRH), Planeta, [L&PM](#) and Novo Conceito. DLD was born when the Kindle went international, in 2009, and managed not only to create a solid technological platform, but also to negotiate very favorable terms with Amazon. The consortium was able to include discount-limitation clauses in the contract they signed with the Seattle giant; one that states Bezos' boys can only apply a maximum 5% discount to only 10% of each publisher's catalogue. In 2015, DLD finally started to expand and distribute content from other publishers. They closed deals with local Elsevier and an art publisher called Cosac Naif that, unfortunately, ceased operating at the end of the year. DLD, however, is actively looking for more content from other publishers to increase its catalogue of around 7,000 ePub titles.

Yet another two smaller national aggregators in Brazil have entered the field, [Acaíaca Digital](#), owned by [Acaíaca Distribuidora](#), one of the top three printed book distributors in Brazil, and a new start-up, called Digitaliza, founded by a former Elsevier executive.

But the big news in 2015 for digital distribution in Brazil was indeed the arrival of German [Bookwire](#). In 2015, the company's goal was to sign as many publishers as possible, and it performed quite well. By the end of the year, around 150 publishers were distributed by Bookwire, including large, medium and small houses. Their catalogue is around 11,000 titles at the moment. It is fair to say that Bookwire's technology and platform is far superior to the ones used in Brazil so far, with the possible exception of DLD. This Brazilian distributor, however, has been a lot less aggressive in growing its publishers list. (Bookwire is a sponsor of this report. Carlo Carrenho has been working as an advisor for Bookwire since its launch in Brazil.)

Subscription and cloud services

In December 2014, Amazon launched [Kindle Unlimited in Brazil](#). For R\$ 19.90, Amazon customers can read as many books as they want from a catalogue that added up to one million titles in October 2015, from which around 25,000 titles were in Portuguese. Big publishers such as [Companhia das Letras](#) and [Intrínseca](#), as well as the seven partners of [DLD](#), never reached an agreement with Amazon to participate. [Globo](#) and [LeYa](#), however, had some of their titles being offered to Kindle Unlimited subscribers since launch. Amazon has mostly tried to acquire content from publishers based on a flat fee, with unlimited downloads. Some publishers, however, succeeded in securing revenues calculated by the number of downloads.

In October 2015, Record, one of DLD's partners, closed a deal with Amazon and started offering 400 titles for Kindle Unlimited customers. In January 2016, the Record catalogue at the library platform was expanded to 750 titles.

Kindle Unlimited is not the first cloud content platform in Brazil. [Nuvem dos Livros](#), a platform launched by Brazilian company [Gol Mobile](#) has been quite successful, especially on the reader side. Nuvem de Livros is a digital library of ebooks, videos and other educational content. In March 2015, they offered over 15,000 ebooks in Brazil from 270 publishers. The platform has succeeded in securing some content from larger publishers, although most of the big companies have resisted participating. On the consumer side, however, Nuvem de Livros has been successful and had around 2.5 million Brazilian subscribers in March 2015 (the company has not released updated numbers since then). Around 1.8 million of those users came from a deal the company has with Telefónica, the controller of Vivo, the largest mobile phone operator in the country. The platform is one of the services that Vivo offers to its own subscribers.

In the second semester of 2015, Nuvem de Livros' revenues were around R\$ 1 million per month. Thirty per cent of this amount is paid to content owners. That means R\$ 12 million per year in revenues or something around € 3 million. The platform offers other content than ebooks, but the largest part of its catalogue comes from publishers. Therefore, and considering that the share distributed to content owners adds up to € 900,000,

30% of the revenues, Nuvem de Livros is a very important player in the Brazilian digital market. This figure would represent a 10.4% increase in a total market of € 8.7 million, should it be included in the sum.

Another company investing in cloud-based digital libraries in Brazil is [Árvore dos Livros](#). The startup was launched in January 2014, with a focus on public and private schools as their main clients. The core idea is to offer an alternative for the trade printed books that the schools or the students normally have to purchase. At the end of 2015, they had 160 publishers in their catalogue of over 25,000 titles. The company has experienced a huge growth in 2015, since its catalogue grew 250% compared to 2014, while its user base increased 349% in that year.

Another important cloud initiative is [Minha Biblioteca](#). Founded in 2011, it is a digital content consortium created by four of Brazil's largest scientific, technical and medical (STM) publishers at the time – Atlas, Grupo A, Grupo GEN and Saraiva, remembering that Grupo GEN acquired Atlas in 2015. Later on, in 2014, middle-size [Editora Manole](#), another STM publisher, joined the platform as a partner. In January 2015, Pasta do Professor, a platform created by the Brazilian Association of Reprographic Rights to prevent college student's piracy through the sale of print-on-demand fragmented content, merged with Minha Biblioteca. Since then, the platform is more open to distribute other publishers' content, prioritizing the 38 publishing houses that offer content at Pasta do Professor. In September 2015, for instance, Cengage Learning started to be distributed by Minha Biblioteca.

In the first quarter of 2016, Minha Biblioteca exceeded 7,000 Brazilian ebook titles and covered almost all areas of knowledge, particularly in the areas of law, health, business administration and engineering. The platform uses Vital Source technology and is adopted by 250 universities in Brazil, being used by 1.5 million students. The company's revenues grew 40% in 2015.

DRM

In Brazil, the absolute majority of books are sold with DRM.

Reading in foreign languages

According to Nielsen Bookscan, 5.4% of booksellers' revenues in Brazil came from foreign books in 2015. Around 80% of those books are English books and, from those, around 50% come from the US and 50% from the UK. If we extrapolate these numbers, we can estimate that foreign language titles sold only in Brazilian bookstores are roughly a US\$ 32 million annual market in consumer prices.

Therefore, on the trade front, the English market in Brazil is particularly limited. Although Amazon and Kobo are surely benefiting from selling English ebooks into Brazil, the digital publishing future in the market will depend almost exclusively on Portuguese content.

Now, this scenario changes a little for science, technical and medical publications (STM) and textbooks for higher education, particularly at graduate level. Moreover, this market gets particularly attractive when it intersects with government purchases. [CAPES](#), a federal organization linked to the Ministry of Education that supports nationwide graduate courses and initiatives, provides the [Portal de Periódicos](#) (Periodicals Portal) free of charge to Brazilian graduate students. In this virtual library, it offers free access to about 37,000 journals and over 150,000 ebooks. Android and iOS apps are available. In 2011 alone, for instance, CAPES spent US\$ 71 million on digital periodical licenses and ebooks for its library. No wonder Wiley and Springer have offices in Brazil. Brasilia, Brazil's capital, is definitely an important city in the digital publishing geography.

Digital self-publishing

Educated guesses estimate the self-publishing digital catalogue in Brazil at 15,000 to 20,000 titles. This does not include the Brazilian content from platforms such as Wattpad and Widbook, but only ebooks offered at the self-publishing programs of Kobo, Saraiva, Amazon and Apple. Unfortunately, there are no data available for these market segments, but the general feeling is that they are growing steadily. Similar to the US market, the digital growth of Amazon in 2015 was a lot higher than the increase of the publishers' digital revenue. The explanation to this paradox is the same one as in the US: Kindle Direct Publishing.

Digital self-publishing has great potential in Brazil. One must consider that this market is limited by the lack of a fully established and operational one-to-one print-on-demand supplier in the market. When services such as the ones offered by Ingram's Lightning Source become broadly available in Brazil, chances are that the printed self-publishing platforms will boom, generating great growth in the digital self-publishing as well.

The challenges for the digital development in Brazil

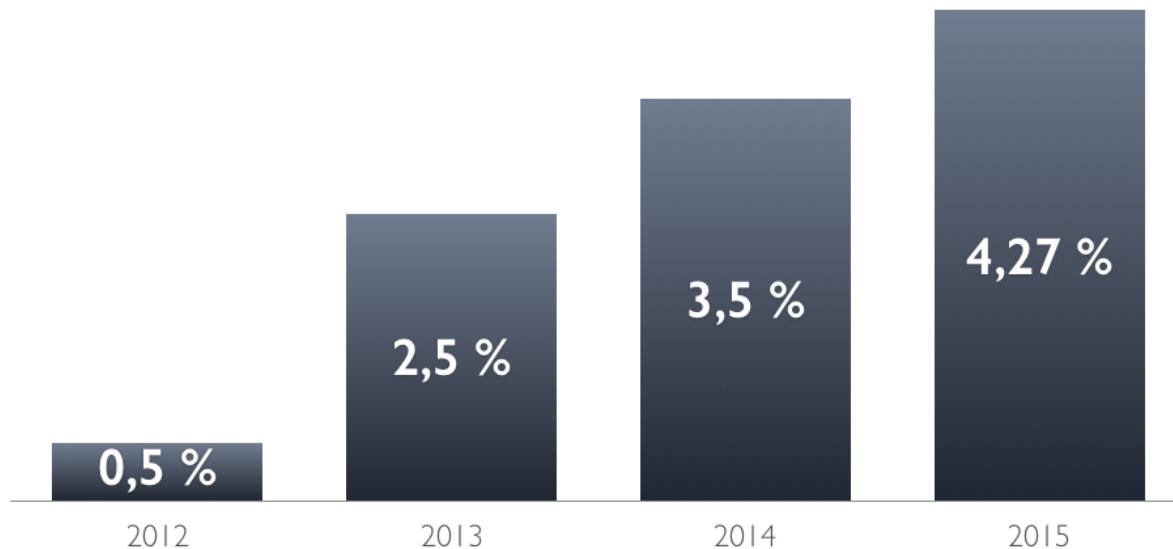
Despite the fact that the Brazilian book market has been practically flat for the last 10 years, there are at least three other challenges faced by publishers and other stakeholders that are specific to the digital side of publishing. Besides these challenges, the economic and political crisis that is affecting Brazil since the end of 2014, and that has greatly escalated in the first quarter of 2016, is probably going to be the largest barrier for the digital growth. As an example, IDC estimates that smartphone sales dropped 13% in 2015 and will drop by another 8% in 2016. The 2015 decrease in 2015 for tablet sales in Brazil is even bigger, with 39%.¹¹ There are no data available for dedicated e-readers, but the drop is likely to be considerable.

In no particular order, the first challenge besides the economic crisis is the fact that digital aggregation is still a working in progress. As mentioned before, big companies like [Ingram](#) or [OverDrive](#) have never even attempted to aggregate Portuguese content. Bookwire has proved its strength operating in a new market, but still has a long way to go and a big catalogue to build. [Xeriph](#), who used to be the most extensive Brazilian aggregator, still has not developed a technological platform compatible to what the best distributors use overseas. Besides, in 2015, it lost publishers to the competition. DLD has only recently opened to other publishers besides its seven owners. The other Brazilian aggregators are small endeavors so far. Compared to 2014, however, the digital distribution has advanced greatly. And if its inefficiency and limited comprehensiveness were probably the narrowest bottleneck preventing digital growth in Brazil in the beginning of 2015, by the end of the year it was a far less limiting to the digital market.

A second challenge, mentioned before, is the lack of clarity by the Brazilian Ministry of Education concerning the path it will take for the K12 digital content. Publishers will not invest heavily before a strategic decision is made by the government on what it wants.

THE BRAZILIAN DIGITAL SHARE

Ebook share (units) in the trade and high education retail markets



A third challenge is the fact that digital book taxation has not yet been regulated in Brazil. While printed books are tax-free in the country – even the paper used for books is tax-free –, there is no law or regulation stating that ebooks are taxable or not. The market has simply decided to follow the spirit of the tax-free law for printed books and is not collecting taxes on digital sales. Most publishers, however, have foregone exporting ebooks to avoid facing an even more complicated tax situation, since rules for export are more rigid and involve other fiscal procedures. The result is that many Brazilian ebooks are not available for purchase in the US or Europe.

In 2014, a bill has been proposed in the Brazilian congress that aims to alter the Book Law and include ebooks and dedicated e-readers in the legal definition of a book, and to grant ebooks the same tax-free status as printed works. Executive authorities, however, have already made clear that any attempt to eliminate taxes on devices will be vetoed. The congress, therefore, is working on an altered bill to make only ebooks tax-free, not devices. It is clear, however, that the final decision or regulation will not happen before the end of 2016. And given the recent political stress, maybe not before the end of 2017.

Conclusion

The Brazilian ebook market is growing still, yet slowly. Similar to other markets, the growth is far from being exponential. On other hand, it is also far from plateauing. Brazilians are technology savvy, and that attitude is shared by the government. There have been clear signals by the Ministry of Education that digital content will be a part of their future purchases, even though the government programs launched in 2015 have basically ignored digital books. However, the key reason for that step is more related to the economic crisis and budget cuts than to a change in mentality.

Publishers are more and more offering digital editions of their titles. Brazilian giant Saraiva has made a commitment to digital by launching the LEV device. Amazon is expanding its local operations. Apple and Google still have a huge smartphone and tablet base ready to commercialize digital content. Kobo is looking for solutions to grow its share. So the potential is doubtless huge.

The challenges, however, should not be neglected. In 2013, around 2.5% of all trade and higher education books sold, were in digital format. This was a 400% growth over 2012, when only 0.5% of trade titles were digital. In 2014, the growth was much slower. Brazil finished that year with only 3.5% of its trade titles being sold as ebooks. In 2015, this index grew, but only to 4.27%. In publishers' revenues, the digital market represents 2.57% of the trade and higher education private market.

The challenges are big and cannot be underestimated. And now the political and economic crisis makes everything harder. There is still a long way ahead for Brazil to achieve its full digital potential. Brazilian publishers and other digital stakeholders must focus on developing a more efficient digital value chain, and on forcing the government to move faster on the definitions that it must take, and on the laws it needs to change. Only then, Brazil will have an active and digitally healthy publishing industry. And let's not forget the power of self-publishing growth and its effects in the publishing market, digital or not.

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Is the book industry entering into a new exploitation chain? Contributed article by Bookwire

by Jens Klingelhöfer, CEO [Bookwire](#)

The days of stable sales models that could be planned over long periods have vanished from the digital world. If we don't use this development positively to our own advantage, we risk the time coming when we are no longer able to keep up. The film industry was already pressing ahead with added value back in the 80s, from cinema to video to free TV. Exploitation stages still keep on changing today – just think about box sets available to buy or rent from digital stores. Sometimes they are shown one after the other in all exploitation stages; sometimes at the same time. The music industry has also had to reinvent its money-making strategy, which for a long time was based on the sale of sound-storage media, and say goodbye to the CD as a main revenue driver. New revenue streams are now being built up with streaming models and exploitation of music in video portals.

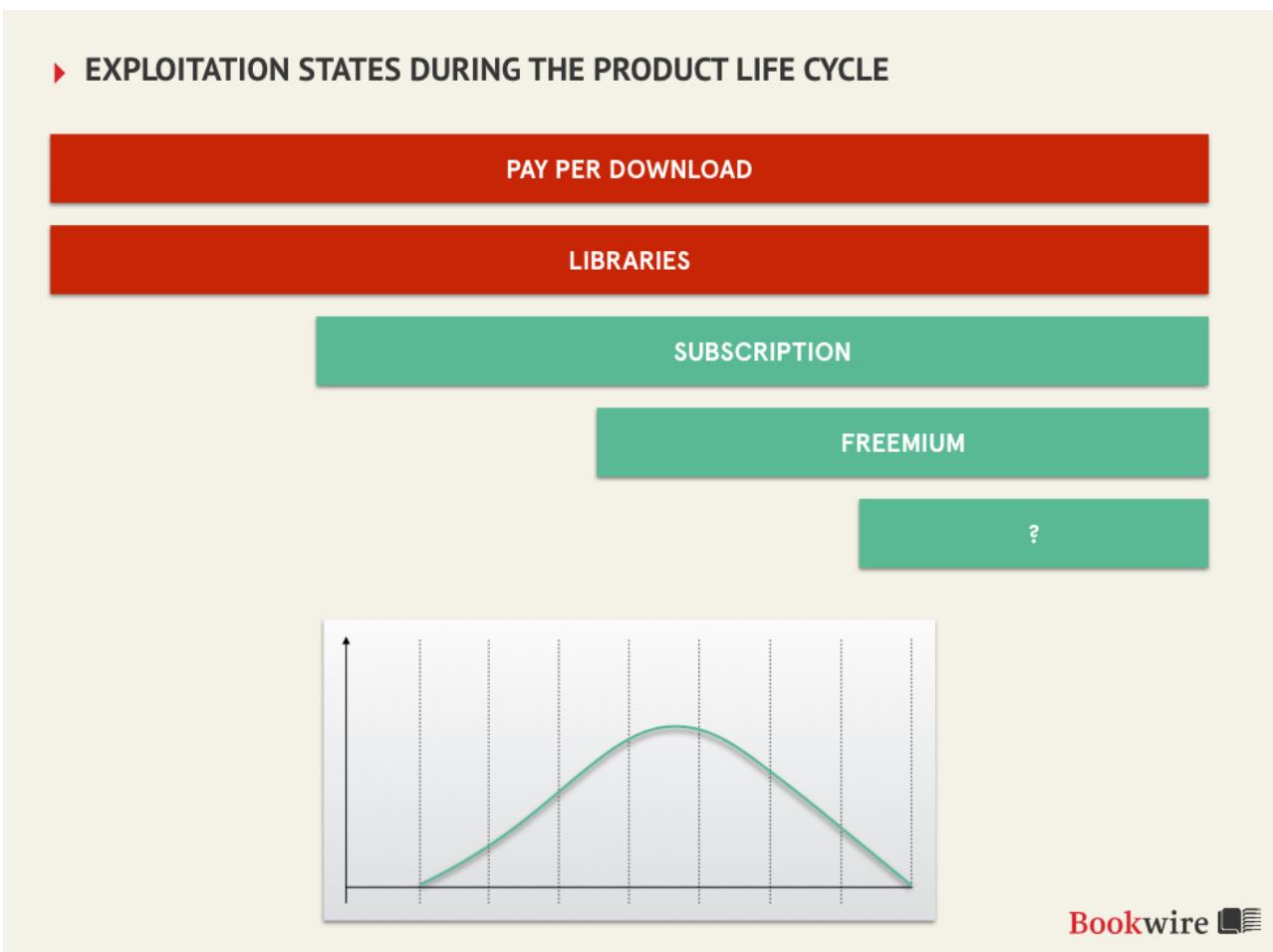


Diagram: example exploitation stage model for eBooks.

At the moment, the book industry remains in a more comfortable situation, where the "old" value chains still continue to work. But if you think that "luckily" only a small part of business is digital, you probably shouldn't bet on a future forever dominated by print products. This is why we need to develop a contemporary value chain

for digital books that takes into account the benefits and drawbacks of this change.

Over the course of a product life cycle, types of exploitation develop into flat-rate or freemium models. The right exploitation strategy is developed based on vast knowledge and experience of individual models, combined with the right technical solution that intelligently and automatically manages new, individual value chains. Global reach, automated price campaigns, statistical analyses, dynamic in-book promotions or an exploitation stage model from sale to subscription fully designed before first publication date - all of these technical solutions contribute to commercially exploiting the product as well as possible during each phase of its life.

The result may be the innovation that the book industry needs to find and keep readers in the future and not to lose them to other sectors of the entertainment industry.

Bookwire



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By expanding our international cooperation we enable publishers to distribute and successfully promote digital products to readers worldwide.



www.bookwire.de/en

China's eBook Market

by Yanhong Kong and Dayou Chen

It was not a quiet year for China's digital publishing industry in 2015, as an industry-wide transformation process is under way. The government launched a policy aiming at an integration of publishing with other digital content programs.

Mobile reading sees a remarkably rapid development, as several new entrants have innovated a sector which has been popular with Chinese readers already for almost a decade. But now, new business models, professional compliance with copyright legislation, as well as business processes and content delivery have gradually improved, to the point that now a fairly complete network of services directed at both creators and consumers has been established.

The currently leading channels are China Reading Limited by Tencent which combined Tencent Literature and Shengda Literature), Migu Digital Media by the local telecommunications giant China Mobile, the Kindle ebook platform of Amazon China, as well as the domestic platforms [iReader](#) and [Chinesseall](#) (Zhong Wen Zai Xian).

Key data on China's ebook market

The latest figures published by State Administration of Press, Publication, Radio, Film and Television (SAPPRFT – formerly known as GAPP) of The People's Republic of China has reported revenue from e-books in 2014-2015 of 4.5 billion RMB Yuan (ca. €620 million).

According to the 37th *Statistical Report on Internet Development in China* released by China Internet Network Information Center (CNNIC), the number of Chinese internet users has reached 688 million by December 2015, or 50.3% of the total population. 620 million people access internet through mobile phones, an increase of 63 million over the previous year. The proportion of mobile users in the internet users increased from 85.8% in the year of 2014 to 90.1% in 2015.

In December of 2015, the number of users for online literature using personal computer was 141 million, while 148 million read on their mobile phones some 803 million hours, as compared to 162 million hours spent reading on personal computers, with significant increase recorded for each of these parameters.

The *2015 China's Mobile Reading Market Report* released by the Speed Transit Research Institute shows that in 2015, China's mobile reading market reached a value of 10 billion RMB (€1.37 billion), an increase of nearly 20% over the previous year. The mobile reading population increased to nearly 194 million in the fourth quarter of 2015, or 14.65% year-on-year. Mobile reading applications were up 60%. According to *Eguan Analysis: China Mobile Reading Market Trend Forecast 2014-2017*, the active mobile readers will reach 690 million by the end of next year, with revenues exceeding 15 billion RMB (€2 billion) in 2017.

Mobile phones are the most important reading devices

The *2015 Q2 China Mobile Reading Market Research Report* released by Big Data-Research shows that 59.2% read on mobiles, as compared to 40.8% using their personal computers, with mobile readers opting at 49.2% for their mobile phones, 11.6 % tablets, and 4.2% Amazon's Kindle.

Smart Phones

Mobile data service provider QuestMobile issued the *2015 China Mobile Internet Report*, which indicates that until December 2015, the number of active smart phones had reached 899 million with Apple iOS and Android devices being split at a ratio of 3:7. The ratio between men and women is close to 6:4, with nearly 80% of all

smart phone users being born after the 1980ies.

eBook Readers

Amazon's Kindle reached China in 2012, with little exact sales information available, as Amazon stated only to have sold "several millions". In August, 2015, the iReader device was released by Beijing based iReader Techology Co., Ltd., as a direct competitor of the third generation Kindle Paperwhite device.

Tablets

IDC's latest data shows that in 2015, the total number of tablets sold globally was 293 million, declining now for the third consecutive year. According to ZDC statistics, Apple got a significant lead on its competitors in China in 2015 with a tablet market share of 36.2%. Samsung owned 11.18% of the Android tablet market. Teclast got the third largest market share with 9.74%.

Key developments of Chinese book market in 2015

The Chinese ebook market is split between publications from traditional publishers, and digital (self-publishing) platforms.

Most traditional publishers publish new consumer titles now in both print and digital formats, while the online platforms have succeeded to develop tie-ins producers of movies, TV series, print books and online games. These combined developments have turned *IP (Intellectual Property)* to becoming a hot buzzword in 2015.

Simultaneous print and ebook releases

While ebooks have become popular at least in English language countries in the West, publishers in China had stayed cautious for some time, because of privacy concerns as much as due to challenges in obtaining copyright permissions for digital editions. As a consequence, well edited ebooks of originally printed works still occupy only a small part of the book business, yet with significant growth lately.

In 2013, when the print and digital editions of famous novelist Yu Hua's *The Seventh Day* were released simultaneously by Amazon China, we predicted a rapid development for China's ebook market. But in fact publishers stepped up the practice more energetically not until 2015. By the end of 2014, China's oldest publishing house, Commercial Press, began to cooperate with Amazon, declaring that they would publish print and ebooks simultaneously from 2015, a decision regarded as a landmark event.

As big and influential publishing houses are now entering the ebook market, this shift will make more high quality content available in digital format, providing better options for the loyal readers of print books.

Some publishing houses and book packagers, such as Shanghai Translation Publishing House, Three Kingdom House, or [DookBook](#), believe that publishing print and ebooks simultaneously will not reduce the sales of print books. On the contrary, it is expected to boost print sales. According to the *Kindle Annual Report of the e-Book Reading Behavior 2015* released by Amazon China, there were some successful cases, such as *The Storied Life* by A. J. Fikry, with the print edition exceeding one million sold copies, while the ebook earned revenues of over 500,000 RMB Yuan (almost € 70,000). Another title, the *Grief Grocery Store*, sold nearly two million copies in print, and almost 500,000 in digital.

Shanghai Translation Publishing House, which partners with Amazon's Kindle for frontlist titles, had entered the ebook market very early, growing a digital catalog of around 400 titles now. While the publisher did not release sales figures, estimates put its digital income at more than two million RMB Yuan (€275,000). Although this equals less than 1% of the publishers' total revenues, it has become a meaningful contribution to its

balance sheet, upping ambitions for the future, by providing more new titles to ebook market, in order to benefit from platforms like Amazon's Kindle or that of iReader.

One publishing house which cooperates with Kindle but prefers not to be named, has increased its digital sales by 277% in 2015. Combined sales from print and digital releases account now for 58% of sales, with an increase of 41% over 2014, thus providing convincing evidence that the practice of simultaneous releases of print and digital are a success.

Crossmedia publishing

On March 31, 2015, SAPPFRT (the State Administration of Press, Publication, Radio, Film & Television) and the Ministry of Finance jointly issued a statement encouraging the integration of traditional publishers' activities with those in other consumer media.

The *International Standard Association Identifier (ISLI)*, an international standard based on Chinese national standards, was released by the International Organization for Standardization on May 15, 2015. One of its main applications, MPR is a universal identifier for links between entities in the field of information and documentation, now widely used in book publishing in China. (See [here](#) for specifications.)

The two-dimensional code has also been widely used by Chinese publishers. It provides effectively an entrance point to digital platforms from print products. It helps to increase the value of printed books, not only in marketing, but also in organizing its content, matching the content of digital publications with users' data, as well as in the prevention of piracy. The tool set has particularly helped encouraging the digitization in nonfiction, notably life style, as well as in STM publishing.

All these new options have started to impact also on publishers' in-house organizations, calling for new competencies of digital teams which includes digital production, the implementation of new powerful databases, and the creation of digital workflows. And even the characteristics of the published products is likely to be affected by such innovation, as publishing professionals are expected to integrate interactive features and various enhancements into their new output.

Intellectual Property (IP) Operations

Online literature is at the core of China's digital publishing market. And yet, not consumers' clicks and reading subscriptions, but the business based on intellectual property licence deals based on the online literature, had been the most exciting aspect in the innovative process in 2015.

In the more mature western markets, intellectual property is well understood as a genuine driver in all cultural and creative industries, as it includes at least three elements, namely content licensing, character or image licensing, and brand licensing.

Licensing is a key to other industries and other marketplaces. In China, however, this has not been the case until recently, when online literature platforms allowed to identify new rising stars among the many authors with great efficiency. Their content was subsequently licensed to book publishers, game developers, movie & TV companies, establishing an IP based value chain, for which 2015 had been the year of spectacular breakthroughs.

The main business has emerged from licensing deals for movies & TV series, as well as for animation and games, with a special focus on fantasy and romantic stories, establishing a huge and fast expanding new market.

China's movie market has become the second largest after Hollywood. The total box office earnings amounted to 40 billion RMB in 2015 (€5.5 billion). Four movies adapted from works of online literature alone, *Mojin-The*

Lost Legend, Chronicles of the Ghostly Tribe, The Left Ear, and My Sunshine, added up to some 4 billion RMB (€550 million). TV series adapted from online literature usually ranked among the top three in all broadcasting. *The Journey of Flower, Legend of MiYue, as well as Nirvana in Fire* had been the most popular TV series in 2015.

Mobile games are also extremely popular in China, generating the lion's share in income from digital platforms. As has been estimated by Tencent, the total revenue of mobile games reached 46 billion RMB in 2015 (€6.3 billion). The most popular mobile games are adapted from internet fantasy and adventure stories. According to iResearch data, the revenue in the first month of *The Journey of Flower*, including TV series and mobile games, was nearly 200 million RMB (€28 million). The monthly revenue of *Sky change* is over 100 million RMB (€14 million).

Even as solid overall market figures are still missing, these anecdotal examples impressively portray a sector of quickly expanding relevance which is genuinely rooted in the creative production from online writing and reading platforms.

Key industry actors

China Reading Limited

China Reading Limited, formed by the merger of Tencent Literature and Shengda Literature, has 4 million authors, 10 million works and nearly 300 million users. Its products are based to 70% on works of original online literature.

The company has a significant number of excellent intellectual properties, including 90% of adaptations from online literature. Popular works, such as *So Young, Dao Mu, The Adventures of Three Tomb Raiders, Nirvana in Fire*, are produced by China Reading Limited.

Migu Digital Media

Migu Digital Media was launched in January, 2015, from China Mobile's online reading platform.

The founding of Migu Digital Media indicates that China Mobile is becoming a content producer and operator, and not only a distributor of existing content. It has licensed so far nearly 430,000 books. The total number of users of Migu is around 400 million, generating revenue of 5 billion RMB in 2015 (almost € 690 million).

Ali Literature

In April, 2015, Ali Mobile Division presented Ali Literature. Ali Literature, plus Shuqi 6 and Book UC, make up the main part of mobile reading of the Ali Mobile Division which focuses on mobile reading and online literature, with a policy of sharing copyright exploitation with copyright holders, authors and cooperation partners.

iReader

Beijing iReader Techology Co., Ltd. has launched iReader, its first ebook reading device, in August, 2015. Up until now, iReader counts more than 500 million users in more than 150 countries. It has licensed the digital copyrights of 420,000 titles of books, journals and cartoons. The daily uploaded volume is about 100 million words. The number of daily active users is 15 million, and or 70 million each month, generating a sales volume of over 1.5 billion copies per year.

Amazon China

According to the official data released by Amazon China at the end of 2015, Kindle's active paying user base is 37 times higher than in the same period in 2012, with 300 thousand titles in Kindle's ebook store, 12 times more than in 2012. Kindle users read more books than average readers. 72% kindle users read more than 12 books a year.

Chineseall

In Chineseall's annual report of 2015, revenues of almost 400 million RMB have been reported (ca. €55 million), an increase of 47.09% year-on-year, hinting at a close correlation between its revenue growth with overall increasing digital reading and services in China. For many Chinese consumers, mobile applications have become a part of their life style, as Chineseall continues to invest heavily into Tangyuan Creation, an APP for mobile creation.

Apple's iBook

Apple's iBook was launched in China in 2015, with so far only limited sales.

India

By Vinutha Mallya

Ebook consumption and production

English-language trade publishers producing ebooks continue to report that sales of ebooks remain less than 1% of total sales, although some reports say that it has risen to between 2–5% in the last year. It is impossible to verify these figures though. The number is marginally higher for STM ebooks. The STM publishing segment brings 84% of the profit to the India publishing industry. But the share of ebooks in STM segment remains at around 2%. This figure reflects consumption and not origination of ebooks. It is unclear how many STM ebooks are produced in India as yet.

In the ebook retail space, it is [rumored](#) that [Flipkart](#) holds 75% of the market share for ebooks in the country. However, this claim is unverified, although Flipkart has the biggest share in India's eretail piece – 44% according to a new report by Morgan Stanley, released in early 2015 – with electronics and fashion being Flipkart's top selling categories. The company has been on a fund raising spree, raising \$1.9billion in three rounds of funding last year alone; the last round being in December 2014 at which time the company which is still to make profit, was valued at \$11billion. During this time, it also acquired Myntra.com. The valuation at the end of 2014 was a jump-up from its valuation of \$1.9billion at the start of 2014.

According to the latest [report](#) by IAMAI and IMRB International, the Indian ecommerce industry is expected to grow at a rate of 33% and cross US\$16.3 billion by the end of 2015.

The report also found that 45% of online shoppers preferred *Cash on Delivery* as a mode of payment, while 21% preferred payment through *Debit Card* and 16% via *Credit Card*. The other modes of payment include Internet Banking (10%) and other payment modes viz. prepaid cash cards, mobile wallets etc (8%). Books (probably printed) worth INR 648 crores (\$104.2 million; one crore being a unit in the South Asian numbering system equal to ten million) had sold through online retailers in 2014.

Amazon, which started operations in India in 2013 and which currently occupies a third position among the e-commerce players in India, announced an additional investment of \$2 billion in India in July 2014, “to enhance the customer and seller experience in India”.

The growth of Kindle's presence in India's ebook market has been strong and steady. While Amazon brings to the India Kindle Store its global list of ebooks, Flipkart has expanded its list through international partnerships, like the one with [Smashwords](#) and [Publish on Demand Global](#).

With the presence of Amazon Kindle and Kobo, ebook retail is picking up in India, although Kindle has greater presence than Kobo. Amazon has also been tapping into the growing self-publishing segment, which is expected to “explode” soon. The good news is that authors are experimenting by going out on their own. Amazon also actively promotes the Kindle Direct Publishing platform, making it an attractive option for writers looking for global reach.

In the last week of March 2015, Amazon launched the Kindle Voyager, the 7th generation e-reader model in India. The company also [announced](#) additional payment options for purchases on the Kindle Store, such as local credit cards, debit cards, net banking, and Amazon.in gift cards.

Ebooks in Indian languages picking up

Ebooks in Indian languages are picking up slowly. Though technological challenges remain, [the lack of support](#)

for Indic scripts by the reading devices such as those produced by Amazon and Apple is a hindrance to their distribution.

When [Newshunt](#), a Bangalore-based mobile internet platform for Indian languages, raised \$58.5 million in two rounds of venture capital funding, between September 2014 and February 2015, the potential of delivery of content in Indian languages caught attention. Newshunt's e-reader application provides content in over 12 Indian languages. After successfully making available news content in these languages, in mid-2014 it forayed into ebooks with a marketplace for publishers. According to the company, over 10 million local language ebooks were downloaded as of February 2015, by over 2 million users, 40% of whom were paid users. Although Newshunt has a proprietary payment platform, it had earlier innovated the concept of micro-payments, by tying up with the telecom services. Each time that someone buys a book, it gets billed to the buyer's phone bill.

To solve the problem of lack of support by the reading devices, the Kolkata-based firm, [Swiftboox](#) developed a proprietary technology for digital conversion of content in Indian languages. The company has been working with a growing list of publishers to digitize and distribute their books. At present, the company digitizes books for publishers without a charge, and takes a share from the sales. Two-thirds of Swiftboox's sales come from selling to the Indian diaspora, particularly in the US and UK.

A start-up, [Pustaka Portal](#), which sells ebooks in the southern Indian languages, as well as makes them available through an online lending library, also found better response from non-resident Indians when they launched. This shows that there is a [demand](#) for books in Indian languages outside India as well. Their royalty model includes payment to authors even each time that a book is borrowed.

Smartphones, tablets and mobile commerce drive ebooks sales

India has the second largest smartphone market globally. The growth in number of smartphones is expected to be manifold, to over 650 million in the next four years, according to a study by networking solutions company [Cisco](#). The report says the number of smartphones grew 54% during 2014, reaching 140 million in number.

The country is also among the world's fastest growing Internet markets. It is expected to see the number of tablets hit more than 18.7 million by 2019, according to the US-based firm's [Visual Networking Index](#) (VNI) global mobile data traffic forecast for 2014 to 2019. The number of tablets sold in 2014 were about 2 million.

According to IAMAI's [report](#), number of internet users in India have been growing at 30% year-on-year in the last decade. The report indicates that 40 million Indians are currently online every day, spending 40-45 hours over the Internet per month. India is the second largest market for social networking sites such as Facebook and LinkedIn; 58,000 new users get connected on to a social network site every day, says the report.

At the end of 2014, India had around 116 million Internet-enabled smartphones according to a report published by Federation of Indian Chambers of Commerce and Industry and consulting firm [KPMG](#) in March 2015.

The result of this growth in smartphone sales and mobile internet use is not only that more people are transacting online through the mobile phone, but also that more content is being consumed online and through devices. Flipkart [reported](#) in early March 2014 that it received 20% of orders from mobile phones. Although the majority of orders are for personal electronics and lifestyle products, books and ebooks are also in the mix.

The tablet market is growing competitive, with low-cost devices driving the sales. According to data [released](#) by International Data Corporation (IDC), iBall overtook Samsung in the Indian tablet market in terms of shipments, in the last quarter of 2014. iBall's share rose from 4.5% to 15.6% when compared to the year before. Samsung's share is now at 12.9%. Datawind (9.6%), Lenovo (9.4%) and HP (8.7%) made up the remaining three of top five tablet vendors. Other vendors occupied 43.8 percent of the market at the end of

2014.

IDC found that the major sales were in the 7-inch tablet category, of devices costing less than \$150 (Rs 10,000). The prediction is that this will be the trend for sometime. While Android based tablets dominate the tablet market, Windows based devices are catching on.

In June 2014, Flipkart [launched](#) its own brand of tablets – the Android-based Digiflip Pro.

The fate of the government-backed low-cost *Aakash* tablet is not known. The tender for the manufacture of the fourth generation of the device, *Aakash* 4, was floated in January 2014. Several interested bidders were uncertain of maintaining the price level at the stipulated Rs 2,500 (\$41) without government support. The manufacturer of three generations of *Aakash*, Datawind, [cited](#) the volatility of the rupee as one of the challenges to keep the price at that level. In March 2014, it was reported that most of the received bids had failed to meet the technical specifications, and that the process might be scrapped altogether. In December 2014, the new government [announced](#) that it was considering a review of technical specifications of *Aakash* 4 tablet and there were reports that it may be launched under a new name.

Government to invest more

The new federal government, which came to power in May 2014, quickly launched a few ambitious initiatives for educational content.

The first of these was the launch of SWAYAM (Study Webs of Active-Learning for Young Aspiring Minds), a MOOC program for online courses. A platform of the Ministry of Human Resource Development, SWAYAM will host online courses developed by professors of government-funded institutions like Indian Institutes of Technology (IITs), Indian Institutes of Management (IIMs), and Central Universities. All courses are to be made available free of cost.

The Ministry of HRD and the United States Department of State have signed an agreement to create the Indo-US Partnership for Online Education (IUPOE) cooperation programme, by which, top universities of the US will create and share postgraduate online courses, and associated materials, on the SWAYAM platform. This cooperation programme is to be integrated into the National Mission on Education through the use of ICT (NMEICT) in India.

Courses in areas of engineering education, social science, energy, management, basic sciences are to be offered on SWAYAM. At least 10 million students are expected to benefit within the next 2–3 years according to the government.

The setting up of a new National E-Library was announced in September 2014, “that will democratize access to knowledge” by making available quality content from central universities and premier institutions in a digital format, easily accessible to students and working professionals, on any device. This e-library is said to become operational this year. According to a release by the Ministry of HRD, international collaboration for this project has been offered by Israel, Norway, UK and the UNESCO.

Apart from the federal government, the state governments are also, separately, investing in the creating online resources. While in many states the PDFs of printed textbooks, developed by the state education boards, are already made available online, governments are looking to go to the next step. For instance, in Kerala the state government is set to [launch](#) a first-of-its-kind project: the “*Digital Collaborative Textbooks*” (DCT), in government schools. Following the model of open publishing, the digital textbooks will be created with information contributed by people in audio or video formats, in addition to the scanned soft-copy of normal textbooks. These textbooks will be launched on an experimental basis from next academic year, starting in June 2015.

Overview of book publishing in India

The overall book market in India is at the cusp of major changes, but in the direction of growth. Fueled by a growing economy, a burgeoning middle-class, and higher literacy levels, the expanding book market is preparing itself for the next big curve—ebooks. With more capital being invested in the book and education industries, the Indian book sector is a ground for experimentation and innovation.

The book market in India is estimated to be in the range of \$2 billion in value, according to industry sources, of which 70% accounts for educational books. About 18,000 to 19,000 publishers publish a volume of nearly 80,000 to 90,000 books a year. After the US and UK, India ranks third in the world in English-language publishing. More than half of all print books published are in *Hindi* (26%) and *English* (24%), and the rest are books published in 22 other official languages of India.

According to a report released by the [National Council of Applied Economic Research](#) (NCAER), about 40% of books sold are academic, 30% for children and 30% are trade books. In trade books, Rs 700 crore (\$112.6 million) worth of business is done through local publishing, and the remaining Rs 3,500 crore (\$562.8 million) worth of business is done through selling imported books.

According to the [Federation of Indian Chambers of Commerce and Industry](#) (FICCI), the publishing industry is growing at a rate of 30% compound annual growth rate (CAGR)—a trend aided by the opening up of foreign direct investment (FDI) in the publishing industry, up to 100%, in the year 2000. Almost all the multinational publishing companies have a presence in India now, but the bulk of Indian publishers are made of family-owned, small-scale businesses.

While the boom in publishing augurs well for the growing print book industry, the ebook market in India is currently expected to be less than 1% of the total book market. A market intelligence study by [Netscribes](#) predicted that the Indian ebook market will grow by 20–25% in by now. The education sector (K–12, higher education, academic) has been the early adopter of elearning and econtent in the last decade. Although over the last 5–6 years ebooks have made a presence in the academic books segment, most of them do not originate in India. Almost all of the online educational content and digital book publishing available is currently in English.

According to *Nielsen Bookscan* data, which tracks 40% sales of trade books in India, sales of 15.5 million units valuing Rs 425 crore (\$70.8 million) were recorded in 2012. Of this, the break-up was, for fiction: 24%; non-fiction: 44%; and children's books: 20%. Nielsen estimates that at retail price, the value of total sales of trade books in English language (including imports) is at Rs 1065 crore (\$177.5 m).

Trade publishers have been exploring e-publishing and several have released ebooks since 2012, but their impact is yet to be measured. The available evidence suggests that popularity of ebooks is rising. Issues of piracy, plagiarism, and a lack of awareness about copyright continue to be a concern here, but policies and legal frameworks have been put in place to address them, such as the revised Copyright Act (in 2012) and the strengthening of the *Indian Reprographics Rights Organization* (IRRO). Print book penetration has been long-challenged by a fragmented value chain (especially at distribution level), poor infrastructure, and the lack of access to and affordability of books. India is one of the lowest priced book markets in the world, yet book publishers lose 20% of sales due to pirated printed copies.

Although the literacy levels in India increased by 9% in the decade of 2001–2011 since the last decade (literacy rate is 74.04% for 1.2 billion population in 2011), there are acute fissures in access to digital opportunities. Of all the literate people in India, those that are literate in the primary language of digital information, i.e. English, make up 6% of the total population.

The Government of India is leading several initiatives to promote digital literacy and provide access to digital content at school and college levels. National level missions such as the Rs 4612 crore (\$768.7 million) *National*

Mission on Education through ICT (NME-ICT) were introduced. The NME-ICT is working in collaboration with other related missions and schemes—National Knowledge Network, Scheme of ICT in Schools, National Translation Mission, and the Vocational Education Mission.

The country's well-established IT software industry has made India a sought-after destination for outsourced services. Nearly 60% of global publishing industry's outsourcing of business processes comes to India. Conversion and digitization of backlist and archives tops the list of services sourced, according to the analytics agency, ValueNotes. India leads ahead of US, UK, Philippines, and Europe in the publishing industry's business process outsourcing (BPO) segment because of its price advantage. But quality of service is an issue.

The proliferation of personal devices for accessing content is expected to create the demand for book content on digital platforms. E-ink devices for ereading were picking up sales in 2011 and early 2012 in India. The sale of home-grown versions—Wink Reader (now discontinued) and Infibeam's Pi (now discontinued)—and later, of Kindle, created an entry-point for ebook reading. Now there are more than 70 reader devices available in the market.

However, by late 2012 the surge in tablet sales suggested that India would opt to migrate directly to tablets than use a single-purpose device like an e-reader. The evidence in 2013 shows that smartphones and *phablets* might outsell tablets, and become the preferred devices for consuming a range of digital content including books. So far, most ereading devices and book-related apps have piggy-backed on the bulk of freely available out-of-copyright digitized books, classics from around the world, and have been able to attract consumers to access books on a digital device. In India, because it is a low-priced editions market, especially in trade segment, ebooks don't yet compete with print books since price is not yet a major differentiator. But publishers are experimenting and there is no pricing norm in place yet.

Readers' demographics

India's large youth population (13–35 years) is a sizable market potential for publishers. Estimated to be 459 million in 2009, youth constitute 38% of India's total population. Of these, 73% youth are literate, with a majority residing in rural areas.

According to the *National Youth Readership Survey* 2009, Indian Youth: Demographics and Readership – Results from the National Youth Readership Survey 2009, National Book Trust, India in association with National Council of Applied Economic Research, New Delhi: 2010. See the table of contents and an executive summary here. half of the readers surveyed gave "knowledge enhancement" as the first reason for reading leisure books. The survey also revealed that more literate youth in urban areas were readers.

Soon after *Independence* in 1947, when literacy and education levels were dismal, school textbooks and examination-based reading were given priority by policy-makers—trends that remain strong to this day. This is seen in the ebooks segment too: several institutions, through their libraries, have been making ebooks available, primarily of science, technical and medical (STM) subjects, for students since the last 5–6 years.

The current demand for ebooks is coming from the six metropolitan (Tier I) cities—Bangalore, Chennai, Delhi, Hyderabad, Kolkata and Mumbai. The Global Ebook Monitor of the market research firm Bowker, a 10-country [sample survey](#) conducted in early 2012, estimated that 2% of the Indian population has purchased an ebook during the period of study. The study also revealed that the typical ebook buyer in India is a college graduate, more likely to be male in the 25–34 years age group, working full time and living in a city. That perhaps explains another finding by the survey, that the majority of books downloaded were either from professional/business category or academic books/textbooks.

An annual sample survey by Tata Consultancy Services (TCS) among youth in the metro cities shows that smart devices and access are making youth "instant connectors", and transforming the way that they are conducting not just their social lives, but also their academic lives.

According to estimates, India has about 200 million children under the age of 18, and 69 million of them reside in urban areas. Mobile devices have become an important utility for young urban parents to entertain their children with. A growing number of parents are exposing children to apps at an early age. In a survey of Generation Z by [Ericsson ConsumerLab](#) in 2012, 26% of survey participants from India were downloading a phone app for their kids at least weekly.

The latest *New Generation Study* by Cartoon Network, released in December 2012, revealed that one in 10 kids in the age group of 7–14 surveyed by the study owned a mobile phone. About 58% of the kids used computers but only 19% owned a computer. Nearly 87% used the internet at least once a week and 10% used it every day. Playing games, surfing for information and social networking are some of the preferred activities on the internet, the study reveals. The survey comprised of 3,100 children in 7–14 years' age group, from 26 cities.

The Indian Readership Survey, which studies mass-media consumption data, indicates a 27.5% increase in internet-based readership between beginning of 2012 and third quarter of 2013. In the same period, only a slight growth was observed in printed newspaper readership (0.7%).

An important result thrown up by Bowker's study is that free content is a driver for ebook adoption in India. Over half the respondents to that survey had downloaded a free ebook in the six months prior to taking the survey.

India is said to be the world's third -largest internet user, after the US and China, according to a *Comscore* report released in August 2013. Of the internet users, 75% are below the age of 35. But the report observes that women in the age group of 35–44 years are among the heaviest users in the Indian market. A recent [study](#) on technology use in the emerging world by Pew Research Center, released in March 2015, revealed that only 20% of Indians access the Internet.

Much of the e-content available in the country is in English, a factor that restricts a large section of people from using the Internet. Internet users in rural India show a greater preference for localized content. At least 64% of internet users in rural India use the internet in local languages. Source: Vernacular Report 2012. Report by Internet and Mobile Association of India (IAMAI) in association with IMRB International, Mumbai: January 2013. Email is the most popular service, while online news and online banking in local languages are also becoming popular. Great expectations anticipate that in the coming years this pattern of consumption will give way to user-generated content in local languages.

In the absence of more reliable data on ebook readership in India, the patterns seen in consumption of eservices and ecommerce give some clues for future opportunities.

Technological infrastructure

The ratio of computer literates in India was estimated to be 6.15% (224 million) of the population, last year. The digital divide in India is a result of several divides combined, namely a lack of access and affordability, poor infrastructure, and social inequalities.

Internet penetration in India was at 12.6% in 2012. According to the *The Indian Telecom Services Performance Indicators* report released by the *Telecom Regulatory Authority of India* in August 2013, the number of internet subscribers in India was 164.81 million by March 2013 (it was 150 million in December 2012). Of the total internet subscribers, 15.05 million were broadband connections; 6.56 million were narrow-band connections; and a whopping 143.20 million accessed the internet through mobile phones. (These numbers are based on connections registered, but are not indicative of active users.) When it comes to mobile telephony, the penetration level is greater in urban India. In March 2013, of the total 867.80 million wireless telephone subscribers, 525.30 million were in urban centers.

While email is the most used service, 28% read news online and 25% users accessed apps. Online games were

accessed by nearly 50% of mobile internet users. Source: Mobile Internet in India – December 2012. Report by Internet and Mobile Association of India (IAMAI) in association with IMRB International, Mumbai; January 2013. But social media is steadily outstripping all other uses in urban centers, as observed by the Comscore study cited above.

India registered 73.5 million mobile handset sales for the period January–April 2013, registering a growth of 11.1% year-on-year, according to *CyberMedia Research*. During the same period, 9.4 million smartphones were shipped in the country, showing a growth of 167.3% on an annual basis.

The sale of tablet computers is rising, strengthening the demand for variety of content. An estimated 3 million were sold in 2012, from 0.5 million in 2011, according to the research agency, which had predicted that 6 million would sell in 2013. The growth in shipments of tablets in India registered a 107.4% year-on-year growth in the second quarter of 2013. About 1.15 million tablets were sold in just the second quarter of 2013 by as many as 70 domestic and international vendors, according to the research agency. Almost 80% of the tablet device models launched during this period were with both of 3G and Wi-Fi connectivity, leading to a growth of 103% in shipments of 3G tablets. Local brands are fiercely competing with global manufacturers for a share in the tablet market. The Indian consumer has no bias against local brands, perhaps because of the price-sensitivity of the Indian market.

It was only with the launch of Amazon's Kindle India Store in August 2012 that a Kindle device (Kindle Wi-Fi 6") was available at an introductory price in India when the US company tied-up with the local Croma retail chain. Until then, Kindle devices, and perhaps a few Sony e-readers, were imported. Kobo will launch in India soon, and the company already identified a retail partner. Source: Personal interview with Malcolm Neill, Director Content Acquisition and Publisher Relations APAC for Kobo. 22 September 2013. Kobo's entry is likely to create robust competition to the e-reader devices segment.

With Kobo's launch in India, in October 2013, the market for e-reading devices expanded. Kobo distributes its devices through 100 retail outlets in 14 cities, including Crossword, Croma and WH Smith. Kindle e-readers are available both online and offline in over 200 outlets.

India's preference for multi-feature devices that offer more value—over and above read-only devices like an e-reader—is perhaps the reason for proliferation of low-cost and Android-based devices in the country. It is not surprising that 63.5% of tablets sold in the period between July–September 2012 were those priced below Rs 10,000 (\$167).

Although the sales of smartphones and tablets are growing strongly, and tablets have outstripped netbook sales too, most ereading continues to take place on personal computers and laptops.

Government interventions in e-reading technology

The launch of the “cheapest tablet computer in the world” – Aakash – brought attention to the potential that low-cost technologies have to revolutionize internet access among a mass population. Fashioned as a public-private partnership project, the Android-based Aakash was to be subsidized by *Government of India* for students. The device was to be procured by the *Ministry of Human Resource*.

Developed for Rs 2,263 (\$38) by manufacturer Datawind Limited, it was to be made available to college and university students at Rs 1,130 (\$19). Specifications for the third edition of Aakash were announced in early January 2013. But by end of January, the MHRD announced that it was thinking of shelving the project due to a supply gap coupled by the availability of other low-cost devices in the market. The future of the project remains uncertain.

In the meantime Aakash reached the US, where pilots aimed at helping schoolchildren learn maths and other subjects have been underway, in North Carolina and San Francisco. The company supplied 100 devices at \$45. Following the pilot, about 2000 units have been shipped.

In August 2013, it was reported that the government was exploring plans to develop and sell smartphones costing less than \$100 to Indians, to drive the country's broadband push. More recently, it was reported that the government was setting aside Rs 10,000 crore (\$1,666.67 m) to give away 2.5 crore (25 million) mobile phones at subsidized rates in rural areas and 90 lakh (9 million) tablets free of cost to students of classes 9 and 10 studying in government areas.

E-learning content

At least 60% of all printed books sold in India are educational books. The emphasis on education has enabled early adoption of digital content in Indian universities, for almost a decade now. In the higher education and academic category, especially in STM segment, ejournals have been available to institutions and libraries. Journals published by publishers like *Springer*, *Taylor & Francis*, *Elsevier*, and *Wiley* were among the first. Much of the content available for the STM category originates outside the country. But in Social Sciences and the Humanities, a modest list of journals are being published in India, chiefly by *Sage India*, which publishes 50 journals in Humanities and Social Sciences. One of the largest distributors of e-resources to institutions and libraries in India, Balani Infotech, part of iGroup (Asia Pacific Limited), distributes a wide variety of electronic content—ebooks, PDF documents, audiobooks, ejournal issues, classic literature for K–12, and more—produced by over 200,000 publishers from around the world.

Under the Government of India's *National Library and Information Services Infrastructure for Scholarly Content* (N-LIST) of *INFLIBNET*—the online digital library linking universities and colleges—nearly 80,000 ebooks and thousands of high quality paid e-journals have been made available to research institutions, universities, and colleges across the country. Almost 90% of the ebooks in this network are sourced from the US-based Ebrary platform.

The Indian Government has been investing in electronic content creation too. Elearning courses from the national premier technology institutions, the seven *Indian Institutes of Technology* (IITs) and the Bangalore-based *Indian Institution of Science* (IISc) are being offered as part of the *National Programme on Technology Enhanced Learning* (NPTEL). The *Ministry of Human Resource Development*, Government of India, funds the NPTEL. The aim of the project is to enhance engineering education in the country. About 260 courseware modules were available in phase 1 in January 2013, from a total of 1216 proposed courses.

The government's *One-Stop Education Portal*, Sakshat, launched in 2006, is to become a repository of educational resources for teachers and learners—from kindergarten onwards. The portal houses virtual classrooms and self-learning materials. A work-in-progress, the portal aims to synergies the work by national-level educational bodies like UGC, AICTE, IGNOU, IISc, IIT, NCERT etc.

The National Repository of Open Educational Resources (NROER), a digital portal, was launched in 2013, to offer digital and digitisable resources (audio, video, interactive images and documents) in different languages along with online activities. The resources hosted here are developed by the National Council of Educational Research and Training (NCERT).

Online learning in schools has just started to boom in India, and “techno schools” are mushrooming in all major cities. As part of its plans for business integration, [Repro](#), a leading printer and content services provider, based in Mumbai, has launched [Rapples](#), a tablet-based learning solution for schools. The tablet comes with pre-loaded content, including textbooks and interactive media elements, as decided by the schools. Content is available from a cloud-based platform. This venture by Repro complements its existing capabilities of content digitization and conversion. The Rapples solution includes converting all the books into digital books (ebooks) and delivery of texts for all the subjects through the dedicated tablet for each student and their teachers. Apart from the ebooks, Rapples equips the schools with server and network capabilities, including wi-fi.

Open access publishing is gaining ground in India, with STM publishers leading the open access model. Social Sciences and Humanities too are following suit. Among them, Orient Blackswan launched the *Orient Blackswan*

Private Limited Open Access (OBSOA) recently, to offer authors and their funders the option to publish open access research across all publication formats. OBSOA content will be published under the terms of Creative Commons Licenses.

India's online education market size was valued at \$20 billion in 2013 and set to grow to \$40 billion, according to an industry estimate. The current market size for digitized school products in private schools alone is around \$500 million. Privately run schools account for 20% of all schools in India. The current market size for ICT in government schools is valued at \$750 million, according to market research firm [Technopak Advisors](#).

The increasing use of computers in classrooms in the course of the last decade has enabled the private education sector (in K–12, higher education, academic) to develop and adopt elearning content. In the K–12 segment, publishers like Pearson and S. Chand Harcourt have a strong presence in producing elearning materials and teaching aids, alongside educational companies like Educomp Solutions, iDiscoveri, Everonn, CORE, and IL&FS etc. Software service providers like Tata Interactive Systems and HCL Infosystems have also entered the school elearning space through partnerships with content providers.

The bundling of educational content with tablets is a growing trend. Micromax Funbook tablet has partnerships with publishers like McGraw Hill and Pearson, and with educational companies like Everonn Education and Vriti Education.

On the other hand, publishers are also launching tablets with content bundling. *Pearson Education India* recently launched MX Touch, a tablet-based education solution for Indian schools, in November 2012. Available in three variants, the MX Touch tablets host interactive activities and worksheets compliant with the school syllabi for grades 3–8. One of India's largest educational publishers, the *S. Chand Group*, has launched Intellita, a tablet that works on Android 4.0, which packs in curriculum-based content for each grade. The content is based on S. Chand Harcourt's Destination Success curriculum-based interactive product portfolio. Over 500 schools, according to a company release, are using the Destination Success software suite.

The entry of *MOOCs* (massive online open course) is creating access to other forms of elearning content. The not-for-profit EdX, a MOOC platform founded by Massachusetts Institute of Technology and Harvard University, says that it gets a large fraction of traffic from India. In a recent interview, its CEO Anant Agarwal said that India consistently represents the second highest enrolments in EdX courses, after the US. The platform has partnered with Indian Institute of Technology, Bombay to make the latter's courses available to a global audience. The new SWAYAM platform launched by the government of India is also on EdX.

Major ebook companies and service providers

Etextbooks

In the educational ebooks space, a new entrant, Mumbai-based [StudyeBuddy](#), claims to be "the largest e-book platform in India for academic books". By the end of March 2014, the platform was to have 100 publishers and 50,000 educational ebooks, according to its founder, Nizam Ahmed. Through the website, StudyeBuddy makes available textbooks, references, supplementary reading and books that "make good reading", to schools, colleges, universities and corporates. The platform has already tied up with publishers in India, and also with international publishers like Springer and Thieme.

The government in India dominates the K–10 textbook segment by publishing textbooks for schools. *The National Council of Educational Resources and Training* (NCERT), provides its entire textbook range for download, as PDF files online.

Over 90% of all etextbooks available for higher education in the country originate outside India, and are in the English language. Source: Personal communication with Kailash Balani, Managing Director, Balani Infotech, a library and information services company, which supplies ebooks to universities and libraries. Springer leads

the list of ebook providers, with nearly 74,000 titles in the catalog. Publishers listed once above, Taylor & Francis, Elsevier, Wiley, Sage, as well as Tata McGraw-Hill, Pearson, Cambridge University Press and Oxford University Press are selling ebooks in India now. Not just for STM, but ebooks on subjects like Law, Management, Social Sciences and the Humanities are being produced in digital formats, and being made available through the publishers' websites. However, individual sales are very few, and most etextbooks sell through library suppliers. Many publishers offer ebooks at discounted rates from their international prices, up to 50% in some cases, for bulk purchase by Indian institutional libraries.

Some online stores like *Attano* and *SkoolShop* are retailing a sizeable list of educational ebooks by Indian publishers, showcasing the early phase of indigenous ebook production in the education space. Attano hosts about 1500 books and 7500 educational videos for K–12, along with exam preparation materials, question banks and materials for college test preparation. It launched a new service called ChapterBuy in June 2013, to sell individual chapters from reference books for higher education in an ebook format. Attano will make available over 10,000 chapters, priced Rs 3 (\$0.05) onwards, for engineering, management and commerce students. The company has partnered with Mumbai-based Sheth Publishers and Pearson for this initiative. Exam preparation materials, especially for entrance exams are also available through Vriti and The Digital Library.

Bharti Airtel, India's largest mobile network operator, introduced test preparations and English-learning modules on mobile through its *mEducation* platform, which it launched in early January 2013. The service enables Airtel mobile customers to access courses for language skills, entrance exam preparation and career counseling for as little as Rs 2 (\$0.02) per day.

Smartphone device manufacturer, Samsung, launched [Samsung Hub](#) last year, an ereading solution that will allow device users to access books easily. Samsung has a [leadership](#) position in smartphone market in India. It had 38% market share of smartphone sales in 2013, and it controlled 19% of overall phone market last year. Samsung has begun talking to publishers in India to place their books in its Hub.

More and more Indian publishers of educational books were digitizing their backlists and creating digital products from their frontlist, in 2013. *PHI Learning*'s list of ebooks (about 700 digitized titles) is available directly from their website. Medical books publisher, Jaypee Brothers have published nearly 1215 ebooks, as well as produced 2250 videos on surgical procedures, available through their websites. Anmol Publications, a publisher of pure sciences, humanities and social sciences books is digitizing 6000 and more titles and offering those as ebooks. Publisher of Physical Sciences and Mathematics books, *Hindustan Book Agency*, is also in the process of publishing ebooks.

In the school-books segment, which is controlled upto 75–80% by the government bodies, private publishers have to operate in the remaining space. Yet, demand for books is increasing. Publishers like S. Chand, Ratna Sagar, Orient Blackswan are investing in creating digital products, both ebooks and online learning aids, although they feel that it will take another five years for students to start reading digitally in a big way. Orient Blackswan's educational ebook sales were less than 0.02% of the company's total sales in 2013, according to a company representative. Source: R. Krishna Mohan, Manager (production) – Higher Academics at Orient Blackswan. Interview published in Book Special, PrintWeek India special issue, September 2013.

Student attitudes towards etextbooks, and other aspects such as quality of electronic versions of books, enhancements, and their integration with classroom pedagogy are yet to be examined and reviewed. There is no indication of etextbooks being core textbooks for students yet. Anecdotal evidence suggests that there is a long way to go, for students to get seamless access to the electronic books both on and off campus.

Trade ebooks

There is a lot of activity in the trade ebook segment. Almost all major trade publishers (English-language publishers) have released ebooks. In July 2012, Penguin Books India's was the first major elist, of nearly 240

titles, that was released in the market. Before [Penguin, Hachette India](#) had released a batch of ebooks in late 2011 and early 2012. [Random House India](#) too had released some titles as ebooks in 2011, and the ebook catalog has now grown. [HarperCollins India](#) started releasing ebooks since September 2012, and although globally ebooks form 20% of HarperCollins' revenues, in India it is less than 1% in sales. Source: PM Sukumar, CEO, HarperCollins Publishers India. Interview published in Book Special, PrintWeek India special issue, September 2013.

According to Kapish Mehra, managing director of Rupa Publications, the company's entire active backlist, of over 1500 titles, is digitized and available. Source: Kapish Mehra, Managing Director, Rupa Publications. Interview published in Book Special, PrintWeek India special issue, September 2013. Gautam Padmanabhan, CEO of Westland, says that the company's entire frontlist is digitized and 80% of backlist is available as ebooks. Source: Gautam Padmanabhan, CEO, Westland Limited. Interview published in Book Special, PrintWeek India special issue, September 2013.

While some publishers are adopting the approach of simultaneous release of both print and ebook editions, publishers like Rupa and its sister company Aleph, will release editions after 6 months of the release of printed books.

The new trend in the ebook space in India is e-singles of short-fiction. In July 2013, Penguin Books India announced the launch of its esingles list of short, digital-only reads—"byte-sized stories which can be easily completed in the course of a daily commute or in a lunch-hour." The list launched with 47 titles, available via Flipkart and Google Books, at Rs 25 (\$0.42) per story.

On 21 September 2013, HarperCollins India launched its Harper21 ebook imprint, with 21 e-singles from 21 authors, priced at Rs 21 (\$0.35) per story. The company says that the stories can be read in 21 minutes! A concept that has been tried by HarperCollins in other countries.

Recently launched [Bloomsbury India](#) has also indicated that it will be publishing ebook versions simultaneously with printed ones. Many medium and small publishers are also venturing into publishing ebooks. For example, the Delhi-based [Sterling Publishers](#), who publish general interest and children's books, began to offer a wide collection of ebooks in epub format (digitized by QBend) through its website, and it had 177 ebooks listed on Apple iBookstore and Amazon Kindle store by May 2013. [Roli Books](#), which publishes illustrated and coffee-table books and also literature, has launched about 40 titles as ebooks.

In children's fiction and comics segment, [ACK Media](#), had launched 350 ebooks, and apps and games last year. The famous Amar Chitra Katha comic list is available through Amazon Kindle store, Apple App store, Nokia Ovi store and Android market. The company's digital division has also developed over 15 games based on characters from the ACK and Tinkle comics, in collaboration with a partner. The company is planning to roll out a complete digital infrastructure system in 2013, which will both create content as well as repurpose existing content for digital media, along with the ACK App store.

[Scholastic India](#) is in the process of converting its backlist into e-enabled books, compatible with the Kindle platform. At present, some of its fiction and general interest titles have been made available in EPUB format.

The multilingual children's picture book publishers like [Tulika Publishers](#) and Pratham Books were among the first to experiment with book apps, with multilingual content. Pratham makes its books available on open platforms as well as on the entire range of reader applications, including The Wink Store, Google Play, Rockstand, etc. Popular children's picture-book publishers Karadi Tales who are known for audio books, flash videobooks, DVDs and CD-ROMs, recently launched some of their books on the App Store. At the [New Delhi World Book Fair 2013](#), another children's books publisher, Katha, announced the launch of its ebooks list, developed in partnership with Impelsys.

Publishers in Indian languages are also launching ebook catalogs, by digitizing their backlist. Among them the notable ones are from publishers like [Rajkamal Prakashan](#) (in Hindi); [Mehta Publishing House](#) (250 titles in

Marathi launched in last week of September 2013); and [Sapna Book House](#).

The [National Book Trust](#) (NBT), the apex body of Government of India, responsible for promotion of book culture and reading in the country, has begun digitizing its huge backlist. NBT has been publishing books in Indian languages and in English since its inception in 1957. The organization signed an agreement with the Bangalore-based digital content solutions provider, [Ninestars Information Technologies](#), in early January 2014. Ninestars is creating ebooks in English, Hindi and all Indian regional languages. The digitized books will be available on an e-store which Ninestars will develop for both Android and iOS platforms.

[DC Books](#), the popular Malayalam publishing house, was one of the first among Indian languages' publishers to launch ebooks. Most of their titles are available as ebooks, which are selling just under 10% of their sales, according to its CEO, Ravi Deecee.

The [Wink Store](#), which was launched in late 2010, was unique because it was able to sign up several trade publishers producing Indian-language books, giving the language segment its first entry-point into ebook publishing. While many of the publishers who signed up, started with PDFs, it was their first effort at testing the waters. The Store, which is an associate of DC Books, offers ebooks and emagazines. In 2010, it had launched and marketed the Wink eReader, an eink device, which has now been discontinued. But the ebooks and the apps are available for readers to read on other devices.

Another initiative, [Bookganga](#), based in the US, with its technology center in Pune, retails more than 75,000 ebooks in Marathi, Gujarati, Hindi and Sanskrit languages, which can be read through their own app.

For many reasons, including difficulties of font support on ereading devices, and also the investments that they need to make, to adopt a digital workflow, the publishers in Indian languages are held back from launching their electronic publishing programs.

The many digital service providers that have been servicing foreign publishers so far, are now aggressively seeking domestic business from Indian publishers. The boom in tablet market is also helping the start-up software ventures in India to court publishers for potential content partnerships. But the collaborations have been few.

Delivery platforms: Amazon, Flipkart, Kobo

There are interesting developments taking place in retail of trade ebooks. Ebook retail is taking off from the online retail of physical books, which is continuing to grow too, with almost 25–35% of printed books sales coming from online retail for many publishers.

Amazon's homegrown competition in India, [Flipkart](#), which started as an online retailer of books, and later introduced other categories of products, had forayed into retailing ebooks in September 2012 through its Flyte digital store (which started with selling music). [Flyte](#) was shut down in May 2013. By August 2013, Flipkart launched the Flipkart ebook app for Android, iOS and Windows platforms, as well as a web reader. The company has tied up with several Indian publishers, including publishers of Indian languages, beginning with Hindi, to sell their ebooks.

Flipkart has said that according to Nielsen BookScan Retail Panel data, Flipkart holds 80% market share for online book sales in India, and holds 40–45% market share for all trade book sales across brick and mortar and online. In August 2013, Flipkart inked a deal with self-publishing platform [Smashwords](#), to distribute its titles in India.

Amazon's Kindle, which has brand recognition in India, made it easier for Indian customers to buy books, with the launch of the Kindle India Store in August 2012, which enabled transactions in Indian Rupees (INR). Amazon had tied-up with Croma retail chain to sell its basic e-reader, the Kindle Wi-fi 6" E Ink Display device.

When Amazon launched [Amazon.in](#), its marketplace platform in India, in August 2013, it integrated the Kindle India store under that domain. The Kindle range of e-reader devices was also made available through Amazon.in shortly afterwards.

The ebook space in India is about to get more exciting, with the coming of [Kobo](#), which will soon launch here. In an interview to the author of this report, Malcolm Neill, Kobo's Director Content Acquisition and Publisher Relations APAC, said that Kobo's entry will drive competition. It has also identified a retail partner, and has been building relationships with publishers for over a year now.

Before Flipkart and Kindle India Store set up, ebooks were available from locally established online retailers, like Ahmedabad-based Infibeam and The Wink Store, which is based in Kottayam, Kerala. Infibeam's ebook store with over 900,000 ebooks, complements the Pi eink reader. When it first launched, most ebooks available through Infibeam were those published by global STM publishers.

Google extended its ebook section on Google Play marketplace in India, in February 2013. With Android devices having greater penetration, Google Play is an important platform for content, where ebooks are priced in Indian rupees.

Telecom companies join in

The telecom operator Aircel has launched Aircel BookMate, an ebook store for its subscribers, in mid-September 2013. The store will allow its subscribers to browse, download and read books, magazines, and comics on their smartphone, tablets and PCs, through a monthly subscription or one-time purchase. But one needs to have an Aircel number to register. The Aircel BookMate app for Android smartphone can be downloaded from the Google Play Store, while the iPad and iPhone app appears to be in development.

In early September 2013, Vodafone tied up with Rockstand, the ereading app, to provide Vodafone subscribers to buy digital content available on the app through their mobile bills or balance. Vodafone users are now able to purchase books and magazines at Rs 7 (\$0.12) per day, cheaper than the current prices of ebook and emagazines offered on the app.

Telecom operator Bharti Airtel's mEducation initiative in the educational content space has already been mentioned above.

By all indications, most publishers of ebooks realize the value of releasing books across all platforms, and they are experimenting with creating their own reader apps. With the Android platform being the most popular operating system in India, the Android-based apps would be the first choice. Cloud computing is offering a solution to create reader applications for different operating systems, which allows readers to migrate between devices and platforms with greater ease, while being locked down to the distribution platform.

Ebook publishers are faced with the problems of book discovery, and many are investing in strengthening their marketing efforts online, especially through social media. Except in the case of Penguin and Sterling, the publishers do not give information about the availability of their e-editions on their own website as yet. Many publishers are yet to adopt an integrated workflow, from manuscript creation to output, and also in following global standards for metadata.

Formats and pricing

Publishers in India are exploring with all formats and platforms. While most started with releasing PDFs, awareness about other formats is growing now. Open formats like EPUB and MOBI are becoming popular. DRM is seen to be a solution for digital piracy, so publishers are becoming familiar with DRM.

Publishers are experimenting with pricing too. Ebooks are available from as less as Rs 40 (\$0.66) going up to Rs 350 (\$6), for trade books originating in India. Ebooks sourced from foreign publishers are priced higher.

Since India has been a market for low-priced editions, especially in trade publishing, price was not thought to be a differentiator when it came to ebooks. But that could change soon. There is a lot of experimentation going on with pricing norms.

Earlier this year, most ebook publishers began by pricing printed books and ebooks almost at par; or pricing the ebooks, just less than the print version. With more ebook platforms coming up, there seems to be a shift.

Penguin's title *Can Love Happen Twice* by Ravinder Singh, from its popular MetroReads imprint, is priced at Rs 125 (\$2.08) in print and sells at Rs 65 (\$1.08) on the Kindle store and Flipkart. Similarly, the paperback of *Immortals of Meluha* by Amish Tripathi (Westland) is priced at Rs 225 (\$3.75), but both, the Kindle and Flipkart editions, are priced at Rs 72 (\$1.2). The nearly 50% difference in price in two editions, among the popular, commercial fiction titles are not seen in the literary fiction titles. For instance, HarperCollins' *India: A Traveller's Literary Companion* by Chandras Choudhury is priced at Rs 399 (\$6.7; hardback) and its Kindle edition is priced at Rs 314 (\$5.2), whereas the Flipkart edition is priced at Rs 359 (\$6).

Similarly, in literary non-fiction too the difference is not 50%. Hachette India's newly revised title, *24 Akbar Road* by Rasheed Kidwai, an account of the Congress Party's hold on the Centre, is priced at Rs 375 (\$6.25) in paperback, and Rs 295.45 (\$5) in Kindle edition.

Self-publishing

Many Indian authors are taking advantage of self-publishing services, for example those offered by Cinnamon Teal Print & Publishing Service and Pothi. Amazon's Kindle Direct Programme became a greater attraction in August 2012, when the company allowed authors and publishers to set Indian rupee prices on the Kindle Store. For many of these new authors, ebook-first is a safe bet, requiring minimal investment. With Smashwords' books now available on Flipkart in India, this platform is also likely to gain interest among authors looking to self-publish.

Well-known author Ashok Banker, best known for the bestselling *Ramayana* series (Penguin Books India), set up his own ebook store, AKB e-books.com in 2011. For Banker, the attraction towards ebook publishing was not about the cost of production, but instead, it was the ease and the low cost of distribution and purchase.

The success of self-published author Amish Tripathi, whose mythological fiction series, *Shiva Trilogy*, earned him a \$ 90,000 advance from publishers Westland recently, has given hope to aspiring writers. Tripathi's *Immortals of Meluha*, the first of the Trilogy, was first published by him in February 2010. The book was reprinted thrice within the following week, and by the end of July it had sold around 45,000 copies across India. After the book's initial success, Westland picked up the series for publication. The Trilogy has sold more than 1.7 million copies in print within a two-and-a-half year period, with retail sales of over Rs 43 crore (\$7.17 m). It has been hailed as "the fastest selling book series in the history of Indian publishing."

Having foreseen an opportunity, Penguin Books India along with Author Solutions, launched a self-publishing imprint, Partridge India, in early 2013. Every Partridge India title is released in digital format as an ebook, and print format is offered as an option.

Many more self-publishing services have been launched in the last year, which shows that there is a demand for these services. Authors Upfront is popular among these. Pothi's founders launched Insta Scribe a tool for authors to create ebooks in multiple formats.

Localisation efforts

The fact that English enjoys a privileged status in India and is also the language of instruction for almost all higher education courses in the country, chiefly for STM subjects and professional courses. Publishers of Indian-language content have a few hurdles to surmount before e-publishing in these languages can catch up

with the pace of change taking place in English publishing. The most important obstacle is that computing with Indic scripts has been a struggle due to the presence of multiple standards in text encoding and keyboard layouts, as well as because of poor Indic-script support on reading devices. Often fonts need to be bundled with the content files. Readers require plug-ins to be able to read such files on their devices. Although agencies of the government, not-for-profit organisations, and also technologists' groups and industry bodies are making efforts, especially for adoption of UNICODE standards, there is still a distance to cover in this regard.

(Some of the publishers in Indian languages who have launched their ebook lists, and the platforms which support them are mentioned in the trade ebooks section above.)

For a listings of companies, see the eBook Yellow Pages.

Russia

2015 has been an extremely turbulent and challenging year in both economic and political terms. The severe drop in prices for notably oil and natural gas, the war in the Ukraine and international tensions over what in Russia is summarized under the term of "geopolitics", with European sanctions, the devaluation of the ruble, as well as significant inflation (which however remained capped at around 13 to 14 %) altogether defined a challenging context for the book business.

The brutal decline after the crisis of 2008 had started to show some slight stabilization in 2013. In March 2014, research by the *Book Industry Magazine* expected even an increase in the demand of books. ([Book Industry Magazine](#), 21 Mar 2014). And the full year of 2014 had been seen as a first glimmer of hope.

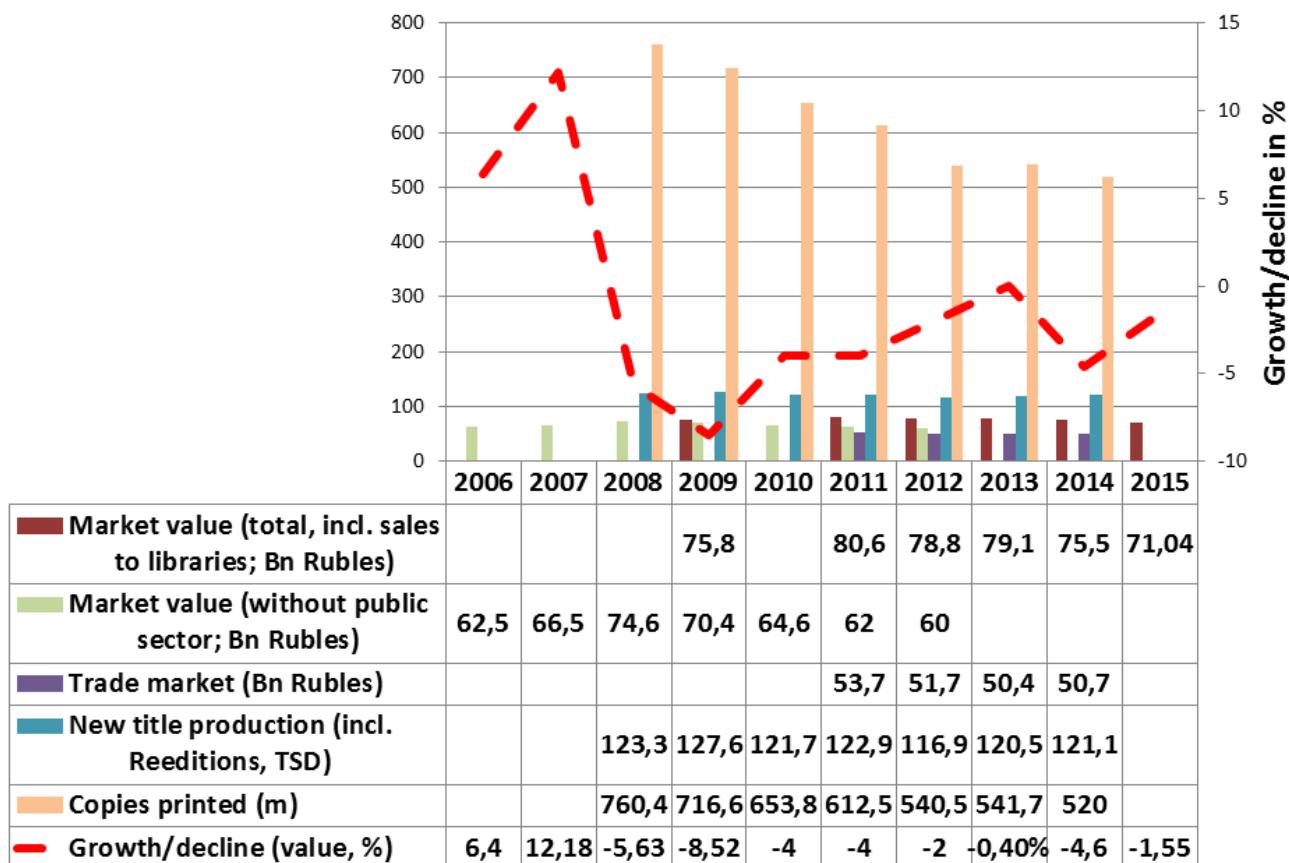
In fact in 2015, traditional brick and mortar retailers as much as online retail platforms were up by 2.14% in 2015. But as procurement by the public sector - always an important factor for the book industry in Russia - had vanished, and digital sales have slowed down, unable to compensate for the loss in print, net revenues of publishers have declined by -2.58%.

Hence overall, print plus digital combined have seen a loss of -1.55% (before inflation), and the average book price rose by 10.8%, according to official Russian statistics, quoted in the Russian [Book Industry Magazine](#).

In a word, it could have been much worse indeed. But still, losses were compensated by an increased title output, which resulted obviously in a decline in average print runs, in the range of 15 to almost 40% at major publishers like the clear market leader EKSMO, or Atticus, as well as major educational publishers.

But by early fall, at the Moscow International Book Fair in September 2014, the cautious confidence mixed with alarms, as the confrontation in Eastern Ukraine had an immediate impact on the book sector. Books in Russian have traditionally by far out sized those in Ukrainian, and the leading Russian publishers as well as chain bookstores were also the strongest actors in the Ukraine, which accounted for up to 15% of their sales.

Russian publishing industry Key parameters 2006 - 2015



Russia: Key parameters of book market development 2006 to 2015. Sources: Federal Agency for Press and Mass Communication, and Russian Book Industry Magazine.

The various data represented in this overview reflect a complex situation. In the early 2000's, Russia had developed fully in congruence with other emerging markets, and the value of the Russian book market had almost doubled from US \$1.6 billion in 2003 to US \$3.0 billion in 2008. But this surge broke in at once, when the economic crisis hit, bringing the market down to about US \$2.5 billion in 2010, and \$2.3 billion in 2011. In 2012, the Russian book market continued to slide in volume, by 9%, although a rise in retail prices compensated for the loss, bringing it to a mere 4% in value (Olga Ro, [Russian Book Industry Magazine](#), in a communication for this report). But sales have not fully recovered even 5 years later. The decline in sales hit all categories. But at the same time, production did hardly follow the market, as roughly the same number of new titles were released year after year.

The years 2011 and 2012 saw significant changes in the structure of the market, driven by both internal and international forces. In 2011, the largest book chain, Top Kniga, crashed. In April 2012, AST's wholesale arm, Pyaty Okean, filed for bankruptcy. However, half of the market is in the hands of some 3,000 independent bookstores who reportedly performed slightly better than the largest chains, recording a loss of only 2% ([Russian Literature Online](#)).

The most spectacular domestic disruption resulted from the country's biggest publishing group, AST, collapsing under a burden of debt in early summer 2012. Its rival EKSMO, the second-largest publishing group, gained management control over AST, further strengthening its already substantial position in the market. By the end of 2012, EKSMO reported an increase of sales of between 5 and 6%.

A strong appreciation for ebooks, yet dominated by piracy

70% of Russian readers read ebooks, according to a survey in 2013, and the competition from online and digital is seen, by 65%, as the main reason for a decline in the circulation of printed books, followed by 28% who spend less time reading, and 27% who refer to the cost of books on paper. As 92% admit to getting ebooks from the Internet "for free", the report also highlights the impact from endemic piracy on the (legal) Russian book market. (Data reported by [Russia beyond the Headlines](#), 28 Jun 2013)

As of 2012, "the ebook business has really taken off and is booming in Russia," according to Olga Ro, of the Russian Book Industry Magazine (communication for this report, January 2013). And indeed, many industry voices, including EKSMO's owner and CEO, Oleg Novikov, anticipated substantial growth for ebooks in 2013. This was ever more remarkable, as only one year earlier, critical expectations had been voiced at many professional debates about the rampant piracy threatening the emerging business to the point of making successful commercialization next to impossible. And yet, in 2012 some 10,000 legal downloads have been recorded for *Shades of Grey* alone.

Expectations have started to shift, with industry leaders reporting an increase in legal business, notably by expanding the available catalog and by improving the convenience of commercial platforms. For 2014, legal ebook sales were worth 1.5 billion Rubles.

By early fall 2014, a catalog of some 100,000 has been available, and sales were projected to reach 3 billion Rubles by 2017, according to Sergey Anuriev, CEO of the leading ebook consumer platform [Litres](#), which claims to own around 80% of the legal ebook market. Litres is a subdivision of the publishing giant EKSMO. (Interviews with Sergey Anuriev in 2012 and 2014 for this report) These are remarkable projections go back to a modest start with sales of 260 million Rubles in 2012 (\$8 million, up from 135 million Rubles in 2011; The Russian Book Market, Federal Agency for Press and Mass Communication, 2013).

The threat from piracy has triggered several legal actions by the government, notably by extending a law for blocking websites with pirated intellectual property from movies to books, effective 2014. Already the year before, in June 2013, the Russian parliament Duma cleared anti-piracy legislation, which was debated controversially by freedom of speech activists, as it is expected to allow copyright holders to ask the authorities to block entire websites if they provide any allegedly pirated content. ([RiaNovosti](#), 14 Jun 2013).

Russia also has seen several major new initiatives with regard to digital.

In 2010, the subscription service [Bookmate](#) has been started, which by late 2014 operated not only within Russian language territories (Russia, Ukraine, Belarus and Kazakhstan), but also in Turkey, Nigeria, Pakistan, India and the Philippines, and further plans to expand into Sweden, Singapore and Mexico. Bookmate's claims to have a catalog of 500,000 titles, of which half are in Russian, and the rest evenly spread between Ukrainian, Spanish, Swedish, Turkish and a few more languages.

Ebook retailer Litres has followed with its own flat-rate offer in late 2012, branded [Mybook](#), and a catalog of 40,000 titles. (See more on Bookmate and Mybook in the chapter on subscription services.)

The Russian Minister of Culture has made an announcement in late 2014 for the launch in 2015 of a massive Russian National Digital Library. ([Good eReader](#), 29 Dec 2014)

In 2014, the average retail price of an ebook edition for a bestseller was around 140 Rubles. The penetration of devices, both e-readers and tablets, seems to have soared since 2012, up 200% in that year alone, with domestic Russian products winning significant market share over imported gadgets. The initial dominance of Apple's iPad has reportedly dropped from 90% in 2011 to about 40% in 2012, with Samsung's Galaxy gaining ground (Olga Ro in a communication for this report).

In Russia, the most popular format for ebooks is FB (or FictionBook), an open XML-based standard with the file

extension .fb2. The format is without DRM and describes the structure of a document, including the basic metadata such as the author's name, the title, and the publisher of a book, allowing convenient conversion to other file formats as well as indexing and management of ebooks by the reader (more details in English are available [here](#)).

FBReader is open source reading software for GNU/Linux, Windows, and other platforms, originally released in January 2005 (more details in English are available [here](#)).

The Russian book market in the international context

By 2013, Amazon had been expected to enter Russia with a dedicated platform and shop, but by February 2015, only a Russian ebook section had been introduced, together with support in the Russian language ([The Bookseller](#), 17 Feb 2015), and even a year later on, no further inroads have occurred.

French Hachette has finalized an acquisition of a 49% stake in one of Russia's leading trade publishers, Azbuka Atticus, with a production of an estimated revenue of \$50 million. (Russian Book Union, quoted in [Publishing Perspectives](#), 29 Oct 2014)

In early 2015, British Pearson Education, the world's largest educational publisher, and active in Russia since 1996, has inked a cooperation agreement with the online distribution platform [Azbuka](#), to offer access to electronic textbooks. ([Press release](#), 2 Mar 2015)

Part 5: Key drivers

Key drivers and debates shaping the ebook markets

The current evolution of ebook markets is shaped by a number of different driving forces, some local (like legislation, tax regimes, or cultural habits), some global (notably by the entrance of global platforms such as Amazon, or Apple, or Google, into an industry governed traditionally by local, or regional companies), some specific to the book sector (notably innovative concepts and technologies for production and distribution), others bringing various media content and formats within one framework of distribution and consumption (notably through fast mobile Internet access, but also by schemes for leveraging content across different formats and business models), some defined primarily by technology (e.g. subsequent generation of devices with different capacities), others more directly deriving from organizational and financial choices (as for instant Amazon's ambition to bring the complete chain of value creation, from the author to the consumer, under one umbrella).

The resulting processes of transformation are highly complex and, as emphasized already, are following diverse trends and patterns. Relevant variations occur by region (as it is reflected in the varying preferences for different reading devices, as multi-functional tablet computers seem to expand among users in North America or Scandinavia, while dedicated e-readers are picked by many strong readers in countries like Germany, while the smartphone is the preferential gateway for accessing any digital content throughout Asia and many other emerging economies).

But also decisions on technologies show remarkable varieties, as hard digital rights protection (DRM) is implemented in most ebooks published by major transnational publishing groups in the English language - a policy certainly reinforced by Amazon's application of strong DRM in its proprietary Kindle universe -, while in other countries such as Italy, ebooks with DRM account for less than half of sales, and also in Germany, advocates for soft copyright protection, such as watermarking, are gaining ground, with the country's publishers' and booksellers' association, Börsenverein, now in favor of the concept.

Also, the economy of ebook markets is a wide, and confusing territory indeed. No consensus whatsoever has emerged thus far across markets on what consumers are expected to pay for purchasing an ebook, and if legally downloading an ebook is a purchase in the first place - or if the consumer only enters a license agreement for a piece of software. The latter is the official position of the European Commission, which results in the consequence that VAT is different now in most of Europa for printed, and for digital, books. National legislation in France, aiming at harmonizing VAT for all books has been overruled by the European Court.

Pricing strategies vary considerably between markets and publishers. And VAT rates are only one factor in what defines the price of an ebook in different European markets. The majority of publishers in some countries like France, Germany or Scandinavia are doing everything they can for keeping up a high level of pricing for ebooks, with discounts against print editions of only 20 or 25% on average. In Spain meanwhile, front-list fiction ebooks are available at just half the price of print.

A new focus on ebook related market data and analysis

The following chapters of this study aim at looking at some of those driving forces, which seemed to be most prevalent in our analysis, in more detail.

In addition to data that we have used already in previous editions of this report, notably on pricing (which we have updated and expanded), and published market information which collect from a wide variety of relevant sources, for the 2016 edition of the Global eBook Report we could work with a number of ebook distributors and aggregators, for a whole new section on "Measuring the dynamics of ebook markets in Europe".

With this approach, we continue our effort of producing relevant and new, data driven case studies, in the aim of creating a puzzle of snapshots, trending charts and related information for a realistic assessment of ebook market developments.

We think that such a patchwork approach is more appropriate, and also more meaningful than a futile attempt of providing a complete picture at this still early, and chaotic stage in the digital transformation of international book markets.

The expansion of global platforms

Book publishing used to be a business of primarily medium sized to small entities, with even in larger groups each imprint holding up their individual profile, and decision making being decentralized in companies owned even at today's largest corporations by family majority shareholders.

The advent of global players is relatively new, and often considered even as an intrusion by some observers. At the same time, it is more and more difficult to reasonably define the limits of book publishing as one industry. In early 2016, a talk by Scott Galloway, professor of New York University's Stern School of Business, made waves at the "[digital book world](#)" conference (dbw), by arguing how the combined of Amazon, Apple, Facebook, and Google, will disrupt the publishing industry, alongside many other domains. (See more here below in the dedicated chapter on Amazon.)

From a consumer's point of view, ebooks are getting more and more seamlessly patched together with any other content and format, to be disseminated to consumers in powerful digital channels, without much difference being made between watching a movie, listening to music, playing a game, chatting or reading a book. Everything is billed through one system, to one omniscient vendor who looks at the consumer across all his or her usages and habits. Books are rapidly losing what traditionally had set them apart.

It is foreseeable that new ecosystems are emerging that carry any type of content onto any type of screen that users choose to prefer, with content curated by traditional publishers being mashed up with "self-" or "independently" released works from all kinds of creators. The channeling of professionally published content is deeply embedded with social media communication and user generated content. Even pirated content is brought now to those same mainstream audiences through huge user communities.

So far, the number of global players relevant for the book trade is fairly small. Aside from Amazon, Apple with its web store iTunes, and a dedicated section for reading material, iBooks, as well as its series of tablet computers and smartphones, plays an imminent role particularly in those markets where Amazon has not (yet) launched a localized presence. Even in the United States, and even more strongly in Brazil or Spain, Apple is a top player in the ebook segment.

Rakuten Kobo, a company started in Canada, to introduce a book centered alternative to Amazon, has been acquired by Japan's largest retailer, Rakuten, and after some searching for a new strategy and orientation, no doubt deserves special attention.

It could be argued that a few more companies deserve such documentation and analysis, to fully grasp the expanding global dynamics relevant to the book business.

Samsung is one example, as its Android based smartphones and tablet computers have become the choice of hardware for many Asian readers notably. But also players with a totally different core business should be looked at, like the Chinese online conglomerate Alibaba, as it has started to reach out internationally. So is Tencent, with new ambitions in ebooks - which is discussed in this report in the chapter on China.

Distribution networks for bookish content would also deserve a dedicated chapter in this study, for tracking in more detail Ingram's distribution, cataloging and print-on-demand services. So do the expanding and changing patterns in book exports, the growth in reading in English by emerging middle class readers anywhere, self-publishing as a replacement for non-existing professional local publishers in much of Africa, Latin America outgrowing Spanish market share for Spanish publishers, and, most of importantly, the transformation of a few English language driven publishing groups into global publishing houses - notably Penguin Random House, Hachette, Holtzbrinck's Macmillan, or most recently Harper Collins through its acquisition of Harlequin. While digital and ebooks play a critical role in the strategies behind these developments, a panorama covering all these actions goes far beyond the scope and horizon of this report, at least in its current edition.

We limit, more modestly, our perspective to portraying recent developments at Amazon, Apple, Google and Rakuten Kobo.

We drop, at the same time, our coverage of Barnes & Noble as the largest North American book chain. After publicizing for some time plans to expand internationally, the New York based company has seemingly dropped most of these ambitions, in a more imminent quest against threats to surviving in their home turf.

Amazon

"It seems preposterous now, but Amazon began as a bookstore", wrote George Packer in a lengthy piece in the New Yorker in 2014, ([Cheap Words](#)). Meanwhile books do not figure in the company's mission statement, but the consumer, when it says: "We seek to be Earth's most customer-centric company for four primary customer sets: consumers, sellers, enterprises, and content creators." And books, for long, have morphed into "content" ([Amazon Investor Relations](#)).

In 2015, Amazon reported a consolidated revenue of \$107 billion, and even a profit of almost \$600 million, bringing the stock valuation to an all time high (which however has fallen in the first quarter of 2016, when this report has been written).

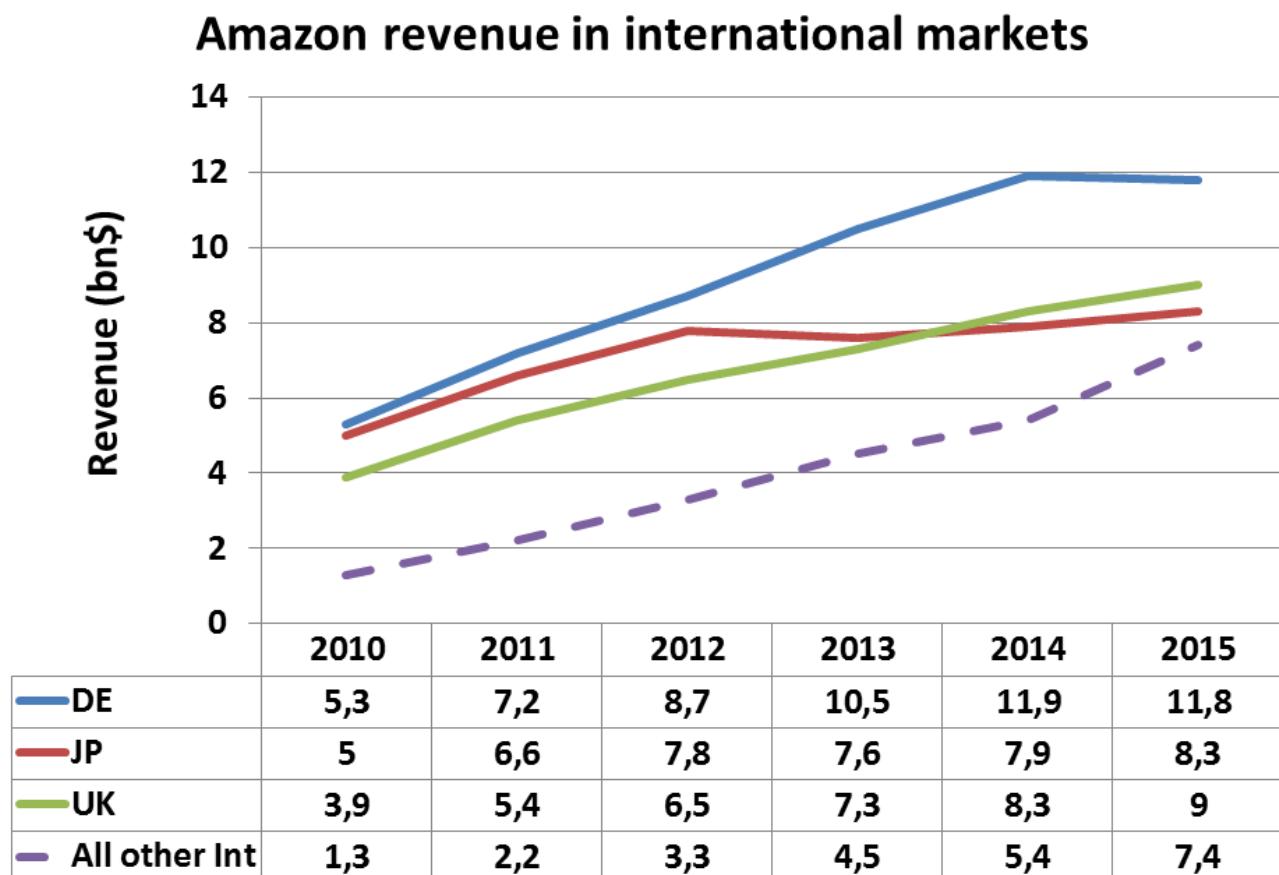
The skyrocketing curves of turnover, and stock valuation however were driven clearly primarily by just the sales growth in North America, while international revenue has flattened. Even more important for this report is that revenue coming from selling media content (including books, which are not reported separately) have not seen any trend coming close. Even more remarkably, international media sales have been flat for several years, and declined by around 9% in 2015. (Source: Amazon SEC filings, [Press Release 2015](#))



Overview at key developments at Amazon. Source: Amazon annual reports, 2010 to 2015.

As already discussed in the past, Amazon is, in commercial terms, much less a global company than its brand recognition would suggest, as the overwhelming part of its international revenue comes from just three countries, Germany, the United Kingdom and Japan (in this order, and with Germany having hit a ceiling in turnover for the past two years, as has Japan since 2012).

But the real news comes from those "other international markets" whose combined turnover has risen now to \$ 7.4 billion in 2015 (from just \$1.3 billion in 2010), bringing the revenue share of the top 3 international markets for Amazon to 80% (down from 92% in 2010). It seems that Amazon's recent investment focus notably on India and China have started to pay off, in generating sales and strengthening, according to all reports, Amazon's position in those huge territories and populations.



Amazon: Evolution of international revenue. Source: Amazon annual reports, 2010 to 2015.

The debate on the financial viability of Amazon's expansion has been heated for years, with Silicon Valley analyst Benedict Evans arguing not long ago, by referring to a screening of its financial reports, that the development was sustainable, yet at one risk: "The question to ask isn't whether Amazon is some profitless ponzi scheme, but whether you believe Bezos can capture the future. That, and how long are you willing to wait?" (Benedict Evans: [Why Amazon Has No Profits \(And Why It Works\)](#), Sep 2014).

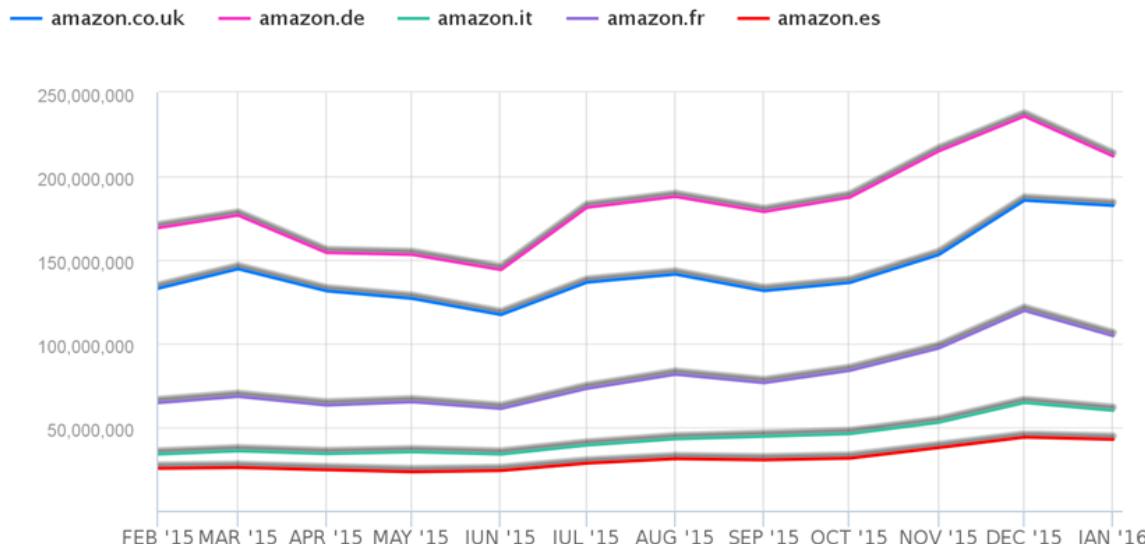
Amazon's paramount impact on the book trade

Amazon's media segment accounts for roughly one quarter of Amazon's entire revenue generated as a sales platform (\$22.5bn in 2014 and in 2015). The competitive key challenge for both its competitors as well as for publishers for whom the online platform is the most important key account in many markets is not just not just the company's market share. It is its massive brand recognition, that makes Amazon stand out as a category in

its own right, dwarfing any single other player in the trade with books, and other media and entertainment content. This is best illustrated by the huge, and still continuously growing web traffic that Amazon's sites draw, dwarfing any other player in the field, including even the most popular piracy sites.

Amazon web traffic 2015 for selected markets in Europe

Visits from Feb, 2015 to Jan, 2016



Web traffic analysis for this report with SimilarWeb

Web traffic at Amazon's European web domains, in UK, Germany, Italy, France and Spain. Tracking with SimilarWeb.

Amazon is much more than a platform or a sales channel. As described by the Silicon Valley analyst Ben Evans as early as November 2013, Amazon has formed an entire "ecosystem" around the entire markets and audiences that it is catering to - similar to Google, Apple and Facebook only, who together are today's "four horsemen" who are "driving the agenda" of digital and mobile transformation. (See Ben Evans' original presentation [here](#), as well as a more detailed discussion of Amazon's specific strategy and performance by [Scott Galloway](#), of New York University, at the DLL conference in January 2015; Galloway's discussion on the impact of that development specifically on publishing at Digital Book World in March 2016 is summarized [here](#).)

In the words of Amazon's founder Jeff Bezos, in a television interview in December 2013, the online giant is in fact the wrong culprit to blame for all the disputes it stands for: "The Internet is disrupting every media industry, Charlie, you know, people can complain about that, but complaining is not a strategy. And Amazon is not happening to book selling, the future is happening to book selling." (*60Minutes*, [CBSNews](#), interview with Charlie Rosen, 2 Dec 2013)

This standing out as a tall tower, or super-node, in the sea of the worldwide web reinforces Amazon's ambition, in for instance the business of books, to covering each and every part of the entire sector by its own offer. By early 2014, Amazon had already clearly evolved into forming a separate sub-market of global publishing in its own right. It has broadened its umbrella to span over the entire value chain, from author services via being a publisher and distributor and a market place for third parties, to a reading platform (and a reading community,

with *Goodreads*) where readers discuss their preferences, to impacting on political debates in a wide array of countries, with a long list of controversial topics, be it sales tax (or value added tax) in the US and Europe, or a dispute over free trade versus protection for local markets, as it occurs in India ([Bloomberg Businessweek](#), 23 Jan 2014).

Taking the example of the United Kingdom, France and Germany, several key developments can be identified between 2014 and 2015. For the UK; Nielsen BookScan has reported for 2014, when the British book market had started to show some good signs of resilience, that "online book buying overtook in-store book buying for the first time last year." Ebooks accounted now for 30% of all book units purchased in the UK, with Amazon in control of 95% of this market segment. In 2015, again according to Nielsen, ebook sales grew by 5% in volume, less than in previous years, and it was added: "All of the e-book growth in 2015 can be attributed to a rise in purchasing of Amazon/self-published titles, with purchases of e-books from mainstream publishers down slightly on 2014." Self-published ebooks are seen to account for 22% of the digital book market in the UK. (Sources: [Goodereader](#), 27 Mar 2015, [The Bookseller](#), 25 Mar 2015, and [The Bookseller](#), 23 Mar 2016)

An increase of ecommerce, up 13.7% in the first quarter of 2015 alone, is also shown for France, with Amazon in the lead. ([Livres Hebdo](#), 12 May 2015) In Germany, online book retail grew by 6.5% in 2014, to €2.45 billion. Amazon is estimated to sell books worth somewhere between 1.5 to 1.8 billion, confirming its rank as Germany's by far largest sales channel for books, in combined print and digital. ([buchreport](#), 19 May 2015, and [buchreport](#) on Germany's top 100 book chains, 26 Feb 2016)

Self-publishing, on the rise across Europe, is largely seen to be dominated by Amazon, even as not exact data are available to measure its market share for non-English language markets (where both Nielsen BookScan and AuthorEarning have started to shed some light. Kindle Direct Publishing (KDP) is now available in all those markets across the board, and so is, mostly, Kindle Unlimited (KU) as a flat rate offer for readers. In some countries, like France, only few local publishers participate at KU. But at the same time, Amazon has stated that overall, in 2014, it had paid to authors €53 million in royalties. In summer 2015, Amazon chose to adjust its royalty scheme for authors for the KU program, to paying per page - with impacts from financial compensation to plot structure (will authors build cliffhangers into their books now more regularly?) yet to be seen. ([Publishers Lunch](#), 2 Jul 2015)

But Amazon has moved also into much smaller niches. "Its [AmazonCrossing](#) imprint, launched in 2010, is now the biggest publisher of foreign fiction in the US", according to a survey by Literature Across Frontiers (quoted in [The Guardian](#), 22 Jun 2015).

Another example is digital educational materials, where Amazon has not only started to strike deals in its American home market, but also most recently enraged French publishers, by signing up the Ministry of Education on an agreement to use KDP to encourage French teachers in making their learning materials available on a broad scale. (For the US, see [The Bookseller](#), 30 Jul 2015; for the French dispute, see on the Amazon - 'Canopé' contract [Livres Hebdo](#), 15 Mar 2016.)

On a much bigger scale, and with remarkable investments estimated to be in the billions of dollars, Amazon is competing in India with strong local contenders like Flipkart, which has resulted amongst other, in local online platforms moving largely out of books, or in China, for instance by launching a local flat rate reading offer. (On India, see [Futurezone](#), 6 Jan 2016; on China, [China Daily](#), 24 Feb 2016)

Earlier developments in Amazon's effort to integrate the complete value chain of publishing

Amazon had moved from defining, and innovating, the retail of both printed and physical books, to offering services directly to authors, engaging with readers who can review the books, adding print-on-demand services as well as its own publishing arm, Amazon Publishing, or, in spring 2013, the acquisition of the reading platform [Goodreads](#), which had grown, by summer 2013, to a [community](#) of 20 million. In 2015, Amazon added

a "writing community", [writeon](#).

In early 2014, Amazon had extended its Prime program into several European markets, which allows users to tap into a streaming movie database and a lending library of selected ebook titles for the Kindle, plus premium delivery of printed books, for an annual membership fee.

In summer 2014, Amazon has launched a flat rate model, branded [Kindle Unlimited](#), first for consumers in the US at \$9.99 per month for accessing a catalog of 700,000 titles. The new model was quickly extended to the United Kingdom, and in October 2014 to Germany, and other European countries.

These moves continued however only earlier initiatives of Amazon, to offer its customers an all encompassing network of services, ideally covering all of their media consumption. The development is not at all limited to books and reading. The Annual Report [2014](#) reveals "the first television series from Oscar-winning director and producer Woody Allen, which will debut exclusively on Prime Instant Video in the U.S., U.K., and Germany in 2015."

Alerts rang across Europe, when the market research firm Xerfi anticipated the US retailer to be en route for becoming "the first bookseller in France" ([Xerfi](#), 7 Feb 2014), or in Germany, where it controls one fourth of the entire online trade, with a volume worth €7.7 billion ([Der Spiegel](#), 3 Feb 2014), while a conflict with labor unions over working conditions in Amazon's logistics centers has continued to rage.

The controversy between Amazon and publishers (Hachette, Bonnier) over terms

In North America, Amazon clashed in 2014 with one of the leading Big Five publishing groups, Paris headquartered Hachette Book Group (HBG), over terms.

"Hachette Says Amazon Is Delaying Delivery of Some Books", read a piece in the [New York Times](#) on 8 May 2014, referring to the retailer's move of "discouraging customers from buying books by Malcolm Gladwell, Stephen Colbert, J. D. Salinger and other popular writers, a flexing of its muscle as a battle with a publisher spills into the open."

A series of open letters, and a flood of media coverage followed, both in the US and internationally, spilling well beyond the professional media of the book trade. It was rumored that Amazon wanted to re-negotiate terms on ebooks with Hachette, and other publishers, like Swedish Bonnier group for its German imprints, aiming at giving Amazon a rebate for distribution of 50%, up from a usual 30%, and similar to the terms for print books.

The dispute continued for months, with authors starting their own campaign, with a full page advertisement in the New York Times, arguing that "no bookseller should block the sale of books or otherwise prevent or discourage customers from ordering or receiving the books they want." ([Authors' United letter](#)). In return, self-published author Hugh Howey launched yet another author's initiative, siding with Amazon, and claiming that Amazon's battle was "a fight for readers, writers and retailers". (For a summary see [The Guardian](#), 8 Jul 2014; for Howey's "petition" to Hachette, see [Change.org](#)).

In the end though, Amazon signed multi-year contracts over new terms with Hachette as well as with other leading English language publishing groups, like Simon & Schuster, Macmillan, or in Europe, with the Swedish Bonnier group. (On Hachette, [The New York Times](#), 14 Nov 2014 on Macmillan: [The Bookseller](#), 18 Dec 2014; and with Simon & Schuster, [Publishers Lunch](#), 20 Oct 2014).

Political controversies in Europe over Amazon

Already in 2012, Amazon found itself center stage in a number of controversial debates, notably in Europe.

"We're not accusing you of being illegal, we're accusing you of being immoral," was the accusation uttered at a hearing of the *British Parliament* in November 2012, when it turned out that, for instance, Amazon's European head office, Amazon EU S.a.r.l., based in Luxembourg, had declared a profit of €20 million after revenues of €9.1 billion, while its British arm, Amazon UK Ltd., had paid £1.8 million in corporate taxes on over £200 million in turnover in 2011. Google had reported £2.5 billion in UK sales in 2011 but tax of just £3.4 million ([The Register](#), 13 Nov 2012) In fiscal 2013, Amazon reported total revenues of \$74.4 billion.

Reports started to shed light on how Amazon, in "highly complex transaction(s)," since 2005 had rearranged their company structure in various European markets, notably through establishing its headquarters in tax-friendly Luxembourg, giving it a significant competitive advantage over companies that operated mostly out of and in one market. (For details, see a [Reuters' Special Report](#) "Amazon's billion dollar tax shield", 6 Dec 2012, and "How one word change lets Amazon pays less tax on its UK activities", [The Guardian](#), 4 Apr 2012).

The outrage over Amazon quickly spilled over the Channel to France, where the online retailer on the one hand had received significant financial public support for installing a distribution center in Burgundy and on the other hand framed its local operations as those of a mere "service providing society", while transferring and accounting profits to its holdings in Luxembourg. As a result, not only did independent booksellers rally against Amazon ([Livres Hebdo](#), 3 Jan 2013), but French financial authorities launched an inquiry ([Livres Hebdo](#), 14 Nov 2012).

During the first half of 2013, the fiscal debate picked up momentum as well as massively extended its ambitions and goals, with the French government debating models to tax digital global actors better. A report has been commissioned to explore ideas ranging from taxing the collection of individual consumer data by firms such as Google to international actions to redefine how transnational companies and their revenues can be localized ("Fiscalité du numérique: vers une taxation des données"[Les Echos](#), 18 January 2013; "Un rapport envisage une taxe sur les données personnelles", [Le Monde](#), 18 Jan 2013).

In Germany, the debate on tax has echoed at first less strongly than its expansion in both market share and scope of services. But the perspectives have largely changed in the first half of 2013, in the light of successful *Buy local* marketing campaigns launched by independent local booksellers, a rising critical debate in the media on Amazon's very modest tax paying (German overall turnover of \$8.7 billion contrasted with a mere 118 million of profits for all its European holding in Luxembourg), together with a stand off with unions, and several strikes at its German warehouses. ([FAZ](#), 12 Jul 2013)

The controversy over Amazon became particularly persistent in France, as the government passed several pieces of legislation in both 2013 and 2014, to curb Amazon's muscle, and to foster the domestic actors in both retail and in publishing. Actions included a ban on free delivery of books, and on unlimited offers of ebooks for a flat fee as infringements of the law on fixed book prices (Declaration of the French mediator for book policy, 9 February 2015, quoted in [Cyberdroit](#) and with reference to Amazon see [Nouvelobs](#), 19 Feb 2015).

Over the past couple of years, these various skirmishes have added up to a fairly broad atmosphere of refusal of a digital transformation of the book market and culture among large swaths of both book professionals and media. The attitude is well summarized by Arnaud Nourry, the CEO of the largest French publishing group, when he declared in an interview: "Only two countries have embraced ebooks, because a liberal policy has allowed a few actors, including Amazon, to brutally destroy prices and to take over this market." (Quoted in [Livres Hebdo](#), 12 Mar 2015).

Amazon's expansion: New markets and languages, more hires, lead projects in Asia

Overall, Amazon pushes forward in multiple ways. In the US, it focused on expanding its "Prime service for physical delivery and digital content access, adding 10 million new members over the holiday season at the end of the year (Reuters, 26 Dec 2014, quote in the [New York Times](#)). In Europe, Amazon revealed a "record" by

hiring 6000 new employees across Europe, bringing its European staff to 32,000 ([The Bookseller](#), 13 Jan 2015). Despite strikes and critical media coverage, total revenues in Germany, Amazon's key overseas' market, continued to grow to \$11.9 bn (up 13% from 2013; [buchreport](#), 5 Feb 2015). However books are estimated to account for only 10 to 15% of sales, and despite of remaining Germany's largest retailer for books, the Tolino platform, operated by a consortium of domestic retailers and German Telekom, claims to have topped Amazon in ebook downloads. (According to Tolino's Klaus Renkl, referring to a consumer panel survey by GfK, at the FutureBook conference, quoted in [buchreport](#), 14 Nov 2014.)

In November 2014, Amazon opened a localized shop for the Netherlands, a move that had been expected for some time, offering notably a catalog of some 20,000 ebook titles, with retail prices mostly set by the publishers or authors. ([NLTimes](#), 12 Nov 2015)

In early 2015, Amazon announced to expand its catalog of ebooks in the Russian language (which however must not be confused with a for some time anticipated, but still not available localized shop for Russian consumers). ([The Bookseller](#), 17 Feb 2015)

Already in 2013, Amazon has started selling Kindle devices in India, after its launch of a Kindle shop in 2012, and it has enhanced its presence in India by unveiling its Amazon Associates program. (Shelf Awareness, [14 June 2013](#) and [9 July 2013](#)) In July 2014, Amazon announced to invest \$2bn in its Indian expansion - echoing a decision by its principal Indian competitor Flipkart to spend an extra \$1bn. ([The Bookseller](#), 30 July 2014) Only a few months later, in fall 2014, the Amazon Hachette controversy was reported to have produced similar clashes over terms between publishers and Amazon - as well as Flipkart -, resulting in delayed deliveries of orders ([Actualité](#), 24 October 2014). In return, Amazon complained about confronting "unique risks" to its business outlook from Indian laws - a complained similar to one about risks in China from June 2014. ([Times of India](#), 3 Nov 2014)

Since June 2013, Amazon had started to sell its devices in mainland China, with the Kindle Paperwhite 849 yuan (US \$134) and tablet computer Kindle Fire HD with 16-gigabyte memory for 1,499 yuan (US \$236). ([Sina](#), 8 Jun 2013)

Apple

For the United Kingdom, The Bookseller's *Digital Census* in fall 2014 revealed that for the first time, "the percentage of respondents who commonly read on an iPad (41.9%) outstrips those who do so on a Kindle (37.9%)". (The [Bookseller](#), 10 Nov 2014)

Two months later, at the [Digital Book World](#) (dbw) conference, the finding was echoed by a senior Apple executive ([Publishing Perspectives](#), 16 Jan 2015):

In April 2010 Apple launched the iBookstore in the US only. Today we are in 51 countries and have managers who operate those stores to keep them local. We have now passed an important milestone: Apple customers have downloaded one billion books globally. (Keith Moerer, Director of Apple's iBookstore)

These and similar announcements recently highlight that in a global perspective, reading on a screen goes far beyond the reach of Amazon and its Kindle universe - an Apple with both its devices and its iTunes/iBook online stores are an important factor in that broader scheme.

Yet another important indicator to this fact, aside from pointing to Apple's massive market presence, is a list of the most downloaded titles for 2014 which Apple has revealed, and which strongly resembles that of other

English language bestselling charts for that year - hinting again at how broadly the platform is now embraced by the typical reader of fiction in the English language. ([Publishers Weekly](#), 9 Dec 2014)

In the Global tablet market, Amazon controls a remarkable market share of 44%, with Samsung coming in second at 25%, while Amazon owns a modest 3%. (ABI research, quoted by [Digital Book World](#), 1 Oct 2014)

The broadly observed shift from dedicated digital reading devices to multi-functional tablet computers resulted in a significant growth of devices with Android as their operating system, topping the market share of Apple's iOS 61.9% against 36% (from 45.6% of Android against 52.8% of iOS in 2012), according to market research firm [Gartner](#), with a total of 195.4 million units sold in 2013 alone.

Since 2013, a number of moves have been observed, indicating a rise in the company's interest in retailing ebooks, which for some time had been hindered notably by Apple's legal battle over price rigging charges in the US. But by June 2014, Apple had finally settled this dispute. ([The Bookseller](#), 17 Jun 2014)

Also several recent acquisitions hinted early at growing ambitions of Apple to expand their role with regard to reading content, notably the takeover of BookLamp, which allows to break up the content of a book into elements like scenes, to better propose relevant further reading to the user, which can be a key asset for keeping the consumer engaged. (See [Techcrunch](#), 25 Jul 2014, and [BusinessInsider](#), Jul 2014)

In fall 2014, Apple has started to work with various publishers, e.g. in France, on new marketing initiatives, like offering selected ebook titles for free. ([Livres Hebdo](#), 19 Sep 2014)

Regarding Apple's global impact, the company has been allowed, in a landmark decision, to start selling its iPhone in China, through a deal with the leading phone operator, with reported sales of more than one million devices in one month. ([Forbes](#), 24 Mar 2014)

For earlier ebook related developments at Apple, see the earlier versions of the [Global eBook](#) report.

Google

In 2004, Google Inc. (NASDAQ: GOOG) introduced book searches of full text and, in order to increase the amount of digitized books available for such a search, an initiative to digitize significant numbers of printed books from public and university libraries. Initially named Google Book Search, Google Print, and Google Library Project, all of these activities are today combined under the label of Google Books. As of March 2012, over 20 million books have been scanned, Google reported.

In early 2012, Google's ebook program has finally seen a relaunch, by being integrated in its eCommerce universe Google Play. And by early 2015, Tom Turvey, Google's director of strategic partnerships, could announce: "We're certainly experiencing a lot of growth, and revenues are going up", though acknowledging that early missteps had been made. ([Publishers Weekly](#), 2 Jan 2015)

As early as 2005, a controversy had emerged between Google and authors' as well as publishers' associations and individual publishers in the US and overseas over the inclusion of "snippets" of copyrighted works. After seven years of litigation and an initial settlement rejected in 2011 by a New York court, an agreement has been reached between Google and the American Association of Publishers as of October 4th 2012. The agreement offers US publishers the option to either withdraw titles under copyright and scanned by Google in libraries, or to keep them in Google's program and receive in return a digital copy and permission to commercially use the scan. Furthermore, users can view up to 20% of a title and, provided the publisher consents, purchase it through the Google Play shop. The settlement was expected to make available several million titles scanned by Google. Related litigation between Google and several French publishers, including Hachette, Albin Michel, Flammarion, Gallimard, and La Martiniere, has been settled in out-of-court agreements. ([Livres Hebdo](#), 7 Sep 2011)

In theory at least, with a settlement, the road could have been open for establishing the largest library of

digitized works, and to subsequently globally disseminate these books. The digital collection of 20 million books have been handed over to be maintained by the [Hathi Trust](#), a "partnership of major research institutions," funded notably by Google. Only half of the digitized works are in English. The other half, consisting of over half a million books in German, 434,000 in French, and over 10,000 in Ukrainian, Bulgarian, or Serbian, turn this into the largest and most linguistically diverse repository of ebooks (for a detailed discussion, see [Global ebook distribution complexities](#), 28 Nov 2012). However, the ebook market, and readers' choices appear to have moved on to other sources and points of access, and probably Google's scanned library is currently used more as a tool for research, than a global infrastructure for distributing and purchasing these books.

Rakuten Kobo

[Kobo](#) (today branded [Rakuten Kobo Inc.](#)) was launched in 2009 by the Canadian bookstore chain Indigo Books & Music Inc. (TSX: IDG), which was founded in 1996 by Heather Reisman and her husband and majority owner Gerry Schwartz. Kobo was at first a business division, meant to cater to the emerging ebook market, then spun off as a separate business entity, and ultimately, in 2012, sold to Rakuten (JASDAQ: 4755), the largest e-commerce company in Japan, with [reported revenues](#) of 599 billion Yen in 2014.

Kobo's co-founder, Michael Serbinis, stepped down as CEO of the company, to be replaced by Rakuten's Takahito "Taka" Aiki in a move highlighting a transition from radical expansion to consolidation at the initially Canadian ebook company. (See also an interview with Kobo CEO Taka Aiki and President Michael Tamblyn in [buchreport](#), 21 Oct 2014) In November 2015, Michael Tamblyn, who had been an executive with the company since its very beginnings, was [named](#) Rakuten Kobo's CEO.

By 2014, Rakuten Kobo claimed to serve 18 million users in 190 countries from an ebook inventory of 4 million titles. By spring 2016, these numbers had increased to over 26 million users, with a catalog of 4.7 million titles.

In February 2016, the parent company, Japanese e-commerce enterprise Rakuten announced a write-down of some of its assets, including Kobo, which it had acquired for \$315 million in 2011, to \$69 million, explaining in a statement that the move had been caused by "a slower start to the rise of the global ebook industry than we originally expected." (Rakuten [Announcement of Impairment Loss](#); see also report in [TechCrunch](#), 15 Feb 2016)

In March 2015, Rakuten acquired Overdrive, a leading eBook and audio-book content marketplace and sharing economy pioneer in the US, for a total consideration of \$410 million in cash. ([Press release](#))

In fall 2014, Rakuten Kobo has announced to no longer focus on tablet computers, and instead focusing on its three dedicated e-reading devices. ([The Bookseller](#), 9 Oct 2014)

In its initial market Canada, where Rakuten Kobo is the largest retailer for ebooks, the company could settle with the government in a dispute that would have opened possibilities for significant discounts on ebooks to lower ebook prices. ([The Bookseller](#), 21 Mar 2014)

Early on, Kobo has started to engage in numerous partnerships with leading local book retailers, including [Fnac](#) in France and other markets catered to by the Paris based company, in the UK with [W.H.Smith](#), in Asia with Hongkong based [Cheung Kong Holdings](#), or in Brazil with [Livraria Cultura](#).

Since March 2014, the Rakuten Kobo ebook store also serves Sony's former ebook customers in the US and Canadian, after deciding that "Sony is withdrawing from the digital reading business in North America", and subsequently also in Europe and Australia. (Company statement, quoted in [Digital Book World](#), 6 Feb 2014)

In 2014, Rakuten Kobo and Dutch [Bol.com](#) joined [forces](#), in February 2015 Rakuten Kobo [announced](#) news about taking on [blinkbox](#) Books customers. In September 2015, Kobo [joined forces](#) with Libreria Porrua and Gandhi in Mexico:

In India, when the largest local retail platform, [Flipkart](#), decided to abandon selling ebooks, Rakuten Kobo [took](#)

[over](#) its customer base in December 2015.

Tolino

[Tolino](#) is a brand for an alliance for the distribution of ebooks, and proprietary reading devices, initiated in 2012 by leading book retail chains in Germany, notably [Club Bertelsmann](#), [Hugendubel](#), [Thalia](#) and [Weltbild](#), together with [Deutsche Telekom](#) as their technology partner.

Tolino, a sponsor of this report, serves all participating partners who, nevertheless, compete against each other in the ebook market for consumers. The system, as an open platform, was conceived as a solution to the German book trade in its competition with Amazon. The Tolino ebook catalog is mostly based on the ePub standard.

Tolino saw its public launch in March 2013. While one of the founding partners, Weltbild, soon got severely handicapped in its evolution due to a complex process a bankruptcy filing in January 2014, and subsequent change of ownership and restructuring (see the country close up on Germany in this report for details), the alliance quickly expanded its membership base.

When German wholesaler [Libri](#) joined in fall 2014, independent booksellers could hook up with the platform.

Also in late 2014, the Belgian chain [Standaard Boekhandel](#), and Italy's online book retailer and chain bookstore [IBS](#) (with online platforms [ibs.it](#) and [libraccio.it](#)) came on board, making Tolino an international vendor.

Standaard Boekhandel is the most important book retailer in the Dutch-speaking part of Belgium. It owns 145 stores, and sells mainly books, CDs and DVDs. In July 2014 it launched the tolino Shine on the Flemish market, and by the end of 2014 the tolino Vision 2.

The total ebook market in Flanders is estimated at 512.000 ebooks, which represents 3.1% in the total sales of books. There were at the end of 2015, following GFK, 307.000 e-readers active in the market, with growth rate of 30% in 2015).

[Libris Blz. B.V.](#) is a retail organization for independent bookstores. It currently holds about 200 members and provides benefits on services as purchasing, marketing, ecommerce and business development (like e-reading). The members of Libris Blz. B.V. have a combined market share in the Netherlands of more than 20%.

In the vision of Libris Blz. B.V. every City Centre should have and should deserve a bookstore, therefore the brand awareness of the local bookstore is more important than the importance of the retail organization's brand, an approach which the coordinating umbrella company now aims to expand to ebooks.

The largest ebook retailers in the Netherlands came up with an open standard concept branded as [LeesID](#), to guarantee usability of ebooks independently from where a consumer has initially purchased an ebook. Current members are Bol.com, Managementboek, Readshop, Boeken.com & ebook.nl. Libris Blz. joined LeesID (with Tolino) in March 2016. Kobo has announced to join in August 2016.

Italian IBS, operating since 1998, is a part of the [Messaggerie Italiane Spa Holding](#), one of the leading publishing and book retail groups in Italy, with almost 40 publishing, distribution and retail companies.

Messaggerie Libri and Fastbook both companies belonging to Messaggerie Italiane Spa Holding, launched "Indiebook" in November 2015 as an affiliation program for independent bookstores which want to go digital and face the competition of big players in the ebook market.

[Libraccio](#) is a chain owning some 40 book stores across Italy.

In fall 2015, two local German book chains could be included, [Mayersche](#) and [Ossiander](#), as well as Dutch

[libris.nl](#). At the same time, Bertelsmann closed its "Club" division, which had been a founding partner of Tolino.

Measuring the complexities of ebook markets: Data snapshots and trending charts for selected genres and segments in Europe

With this new chapter of the Global ebook report, plus the two following sections on pricing strategies and on piracy, we attempt at generating a more detailed and more realistic picture of ebook developments in a few selected European book markets.

Over the past few years, we could see more and more clearly that ebooks show a wide variety of patterns in their market entrance, in sales developments as well as in how they penetrate reading audiences, according to genres, sales channels, as much as by author as well as publisher typologies.

So far, very few data have been publicly available to look closely enough at such market details, for a realistic assessment of the workings in the digital transformation with regard to books and reading.

For a new, and more detailed approach in this report, we have asked ebook distributors and aggregators if they would share some of their sales data, and were delighted when several accepted to publicly share some of their insights. We received highly relevant data from notably [Ingram Content Group](#) and [Yearsa](#) (both US/UK), and from [Bookwire](#) and [Readbox](#) (both based in Germany).

These data, and a number of charts generated from those data sets, are now at the core of this first section on "measuring the complexities of ebook markets", and in the following chapter dedicated to ebook pricing strategies, where the new data complement our own research for this report from the past three years.

Finally, we can also add a new section looking at ebook piracy in five European markets, Germany, France, Spain, Italy and Poland. Using advanced web analysis tools that have been provided by [SimilarWeb](#) in support of our work, these observations allow for a better understanding of habits and preferences of readers in the digital space.

We are highly grateful and appreciative to these partners whose contributions have made this part of our work possible.

Zooming in on ebook markets

We knew that ebooks have been adopted at first rather not by technologically motivated nerds, but by cohorts of the strongest readers, hence by one core audience of consumer publishers. We learned that the early adopters show pretty specific demographics, and similarly so in many different countries - with a significant percentage of readers at age 40 and older, with more women, and with a very large preference for reading fiction on screens. To this day, nonfiction, self-help, or even textbooks and other learning materials have not seen major breakthroughs in getting popular as ebooks.

Beyond such very generic observations, our understanding of market developments and readers' preferences is very limited in fact. When ebook sales in the US, and also in the UK have "plateaued" at around 20% of market share for new consumer titles, it was argued that this reflected a first phase of maturity, as that initial cohort of 'strong readers' had been largely reached by ebooks.

When across Europe, the "plateau" seemed to have been reached well beneath a threshold of 10% of ebook

market share, no clear explanation could be provided.

For the US, the initiators of the self-publishing observatory [Author Earnings](#), author Hugh Howey and his analyst, who appears under the pseudonym "Data Guy", argue more and more convincingly that available industry statistics may overstate ebooks from the Big Five traditional publishing groups, and significantly discriminate a thriving and expanding sector of self or independently publishing authors.

As we learn from Nielsen BookScan for the UK, self-published books account now for 22% of all unit sales in the UK ebook market in 2015, up from 16 % in 2014. By volume, 5% more ebooks have been sold in the UK in 2015, which is a lower growth rate than in both 2013 and 2014. "All of the e-book growth in 2015 can be attributed to a rise in purchasing of Amazon/self-published titles, with purchases of e-books from mainstream publishers down slightly on 2014", was explained by Nielsen's Steve Bohme at a Nielsen BookInsights Conference in March 2016. (See [The Bookseller](#), 23 Mar 2016)

As the average retail price for ebooks fell by 1% in 2015, while print books rose by 2%, the overall market share of ebooks in sales value fell to 16% in 2015.

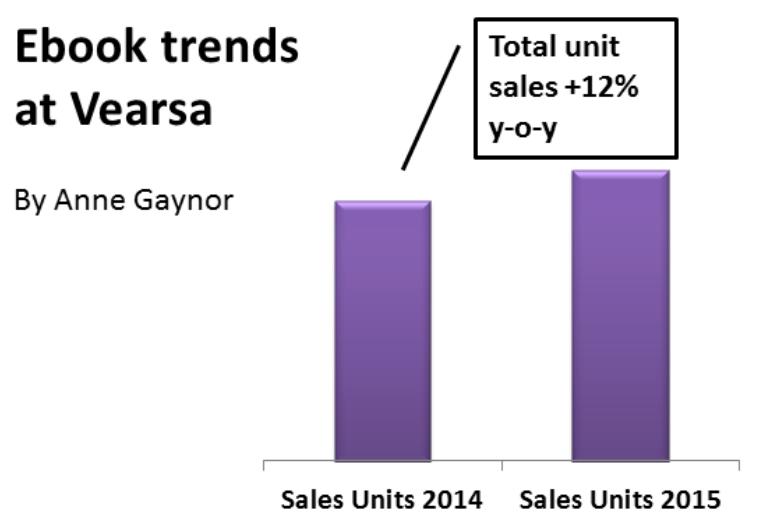
The mechanics of increase and loss require a lot of detail for an assessment.

As ebooks travel easily across distances and borders, it comes of as little surprise that distributor [Vearsa reports](#) to us a growth rate of 12% in ebook units from 2014 to 2015, hence more than Nielsen's take on primarily UK domestic sales. And while Vearsa sees, in consistency with other observers, ebooks slightly declining in volume, international distribution of mostly English language books was going up at remarkable rates, with Germany being up 25%, and France up 14%.

Country/Region	Publishers by location - % of Sample
United Kingdom	60%
Other European Countries	20%
United States	10%
Other	10%
Country	Country split for ebooks in % of Earnings
United Kingdom	49.46%
United States	19.49%
Australia	9.91%
Germany	3.71%
Ireland	3.57%
Canada	1.92%
New Zealand	1.79%
India	1.12%
France	0.93%
South Africa	0.81%
Other	7.29%

Ebook trends at Vearsa

By Anne Gaynor



Country	% Change 2015 vs 2014	Country	% Change 2015 vs 2014
United Kingdom	-4%	Canada	+25%
United States	-6%	Germany	+24%
		Australia	+18%
		France	+14%
		New Zealand	+3%

Selected developments of ebook sales, according to Vearsa.

In earnings, Vearsa sees recent currency volatility impacting on developments, resulting in a drop of GBP and US dollar earnings converting in a 7% value increase in Euros. Also, the monthly curves representing sales in 2014 and 2015 differ recognizably, with a weaker performance in 2015, as compared to 2014, with the exception of the first quarter of 2015.

But also developments by sales channel show some puzzling developments across 2015, according to data from Vearsa:

Retailer	% Change
Amazon	- 4%
Apple	+ 33%
Barnes & Noble	- 32%
EBL (Libraries)	+ 30%
Gardners	- 8%
Google	+ 88%
Kobo	+ 27%
Overdrive	- 36%
Scribd	+ 52%
Skoobe (subscription service)	+ 268%

A breakdown by BISAC category and genres furthermore highlights remarkable differences. In Canada, romance had been driving sales continuously over the past 24 months. In Germany, by comparison, the increase came from literary fiction, but also from categories such as "Action & Adventure", and "Military History".

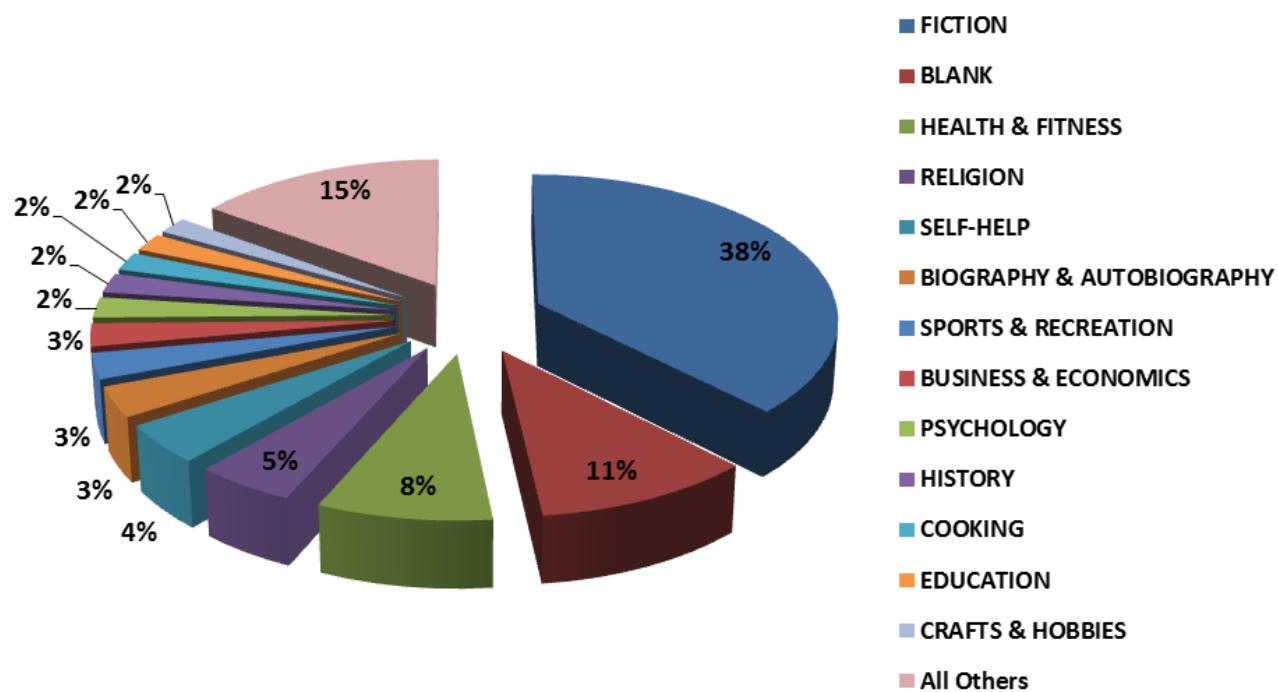
Differences as well as - probably unexpected - similarities can be seen from data provided by the **Ingram Content Group** for this report.

An overview of the respective top 10 bestselling titles in 2015 for a dozen countries across Europe reflects the expected prominent presence of Science Fiction (notably fan collections like "The Philip K. Dick Megapack"), and computer manuals ("Raspberry Pi :Raspberry Pi Guide On Python & Projects Programming In Easy Steps"), or categories like "Personal Success" and "Fitness". Similar to VEARSA, Military History has also a visible presence in some countries (Belgium, Italy, France, and all of Scandinavia). Romance and Erotica meanwhile are found among the top 10 only in Ireland and in the United Kingdom.

Of course, a few funny discoveries can also be made, as a compilation of pamphlets with financial advice, initially was published in 1926 (!) - "[The Richest Man in Babylon](#)" by George Samuel Clason - seems to have been a smashing hit title across all of Europe as an ebook in 2015.

In comparing of end of year sales (November to December 2015), VEARSA could recognize a steep rise of, among other categories, Comics & Graphic Novels (up 200%), Health and Fitness (+ 49%) - and Transportation, in Particular Railroads (+ 43%).

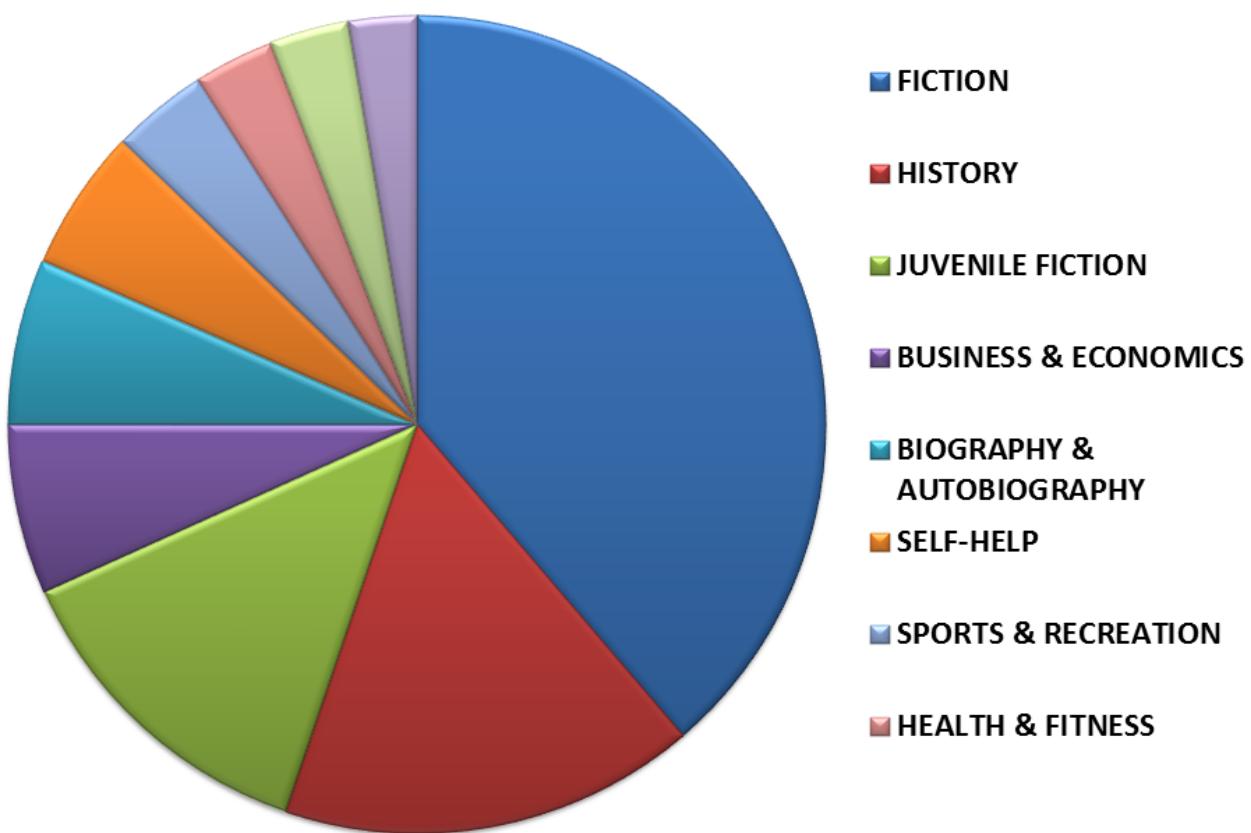
CS+ 2015 Share by BISAC (Source: INGRAM)



Ingram: Distribution of catalog according to BISAC categories.

The distribution of preferred (mostly English language) titles, by BISAC categories and genres, as identified by both Ingram and Vearsa, differ significantly from their market share in the domestic English language markets.

Earnings BISAC (Source Vearsa)



VEARSA: Distribution of earnings by BISAC categories.

Those few snapshots highlight all too well, what kind of information - across markets, and broken down by genre and category, is missing to notably publishers for successfully marketing and growing their international digital sales.

In the chapter on piracy, below, we will see for Poland, how successful, and largely unchallenged from legal channels, illegal downloads are in reaching Polish expat communities wherever they are in the world.

A second set of data and charts from distributors and aggregators, shared for this report for the first time, is emphasizing the complexities of pricing, as well as market share related to pricing. This will be discussed in the following section.

The cost of ebooks and the re-framing of book markets: contradictory pricing strategies in Europe, Legal battles in the US

The retail price of a book, and the practices and rules governing that price, provide one of the key parameters for the understanding of the status and the evolution of a given market. Ebooks have strongly confirmed that stance.

We will show the different effects on ebook pricing, and the legal as much as the policy related debates around it in four steps in this chapter:

- How formerly consistent price corridors for (printed) books, on which consumers could rely, have become complex and arguably confusing with digital;
- How selected markets across Europe see wide differences in average price levels, and discounts granted by publishers from a title's hard cover to its ebook editions;
- How notably self-published ebooks, as well as digital bargain editions account for up to half of volume sales;
- How the price wars in the US on the "agency" pricing model have re-shaped the market.

The impact of contradictory ebook pricing strategies in Europe

In continental Europe, the importance attributed to pricing is well reflected in numerous countries' choice of regulating the retail price of a book, which is set by the publisher, not the retailer, and by often reduced rates of VAT for printed works. As a result, book prices have been largely stable on average in recent years. This is about to change significantly as the traditional consensus based equilibrium is seriously challenged by the impact from ebooks.

Over the past few years, consumers in much of continental Europe discovered, often with some puzzlement, that the amount of money which they have to spend for the purchase of a book, is defined by factors difficult to grasp. And even the strict application of fixed book price legislation does little to clarify those market forces behind the cost of a book.

How much is an ebook worth?

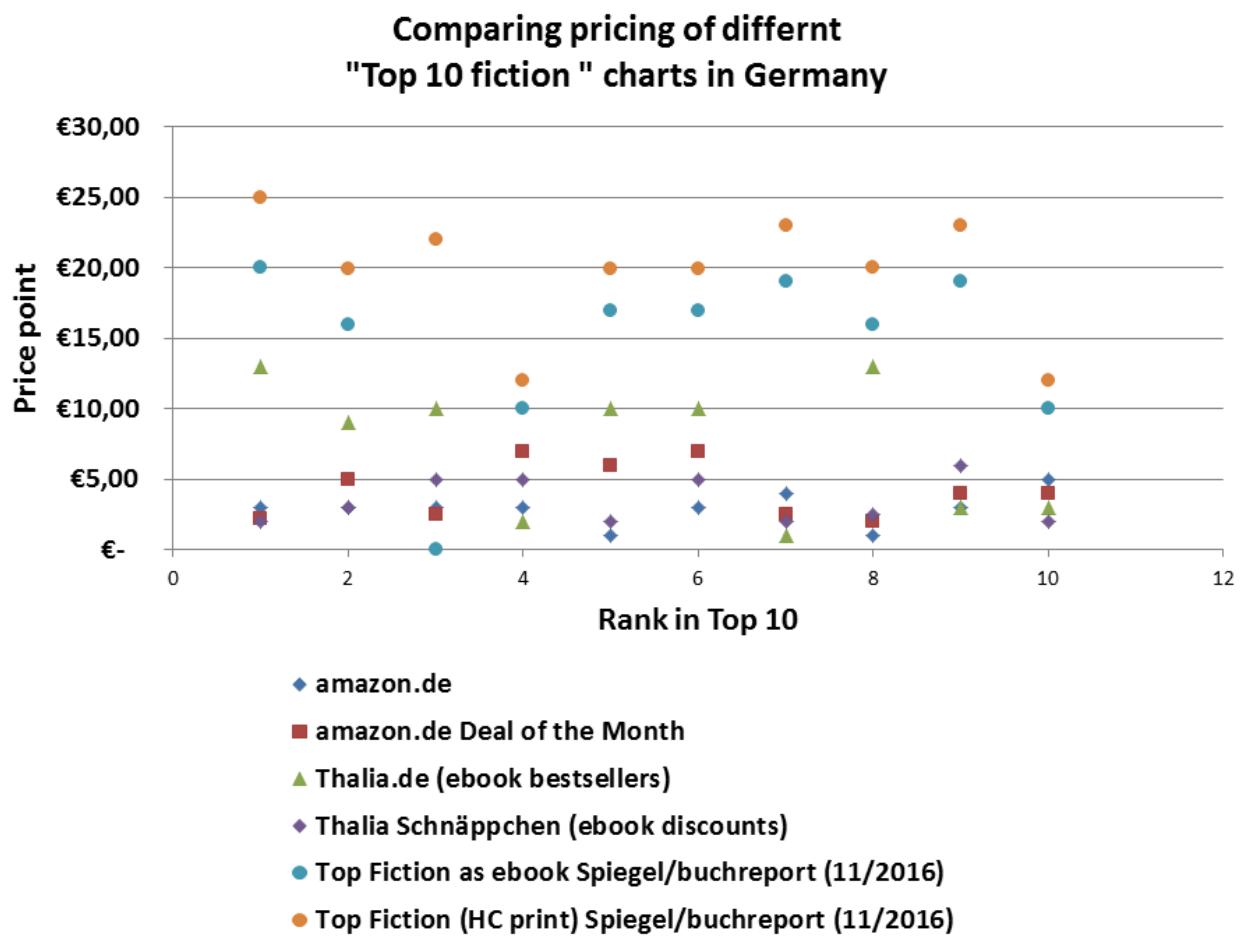
To take the example of Germany, for a long time, a newly released hardcover edition of a novel cost around € 20 (or even a little more, when the book was particularly big), while the trade paperback which was published a few months or half a year later, could be found at roughly half that price. In Germany and quite a few other countries, legislation obliged publishers and retailers to not market those books through special discounts. In the case of Germany, a publisher can lower the price only by giving notice one month in advance to the official book-in-print database, and the rigid framework of limitations and rules applies, at least in practice, to ebooks just as much as for printed works.

In other countries with fixed price regimes, discounts are limited to just 5% (in the case of France), or more or less rigidly defined options for special offers (Italy). And everywhere, the lawyers of trade organizations have a

keen eye to pursue any violation of these rules. In France for instance, free shipments of books ordered online have been at the core of a campaign directed notably against Amazon. In Austria, the chamber of commerce had sent test buyers into bookshops asking for free copies of textbooks in bulk orders (which are not allowed). In Germany, a dedicated custodian at the publishers' association is stepping in regularly when a publisher or a retail chain are creatively testing incentives for consumers.

And yet, without any formal violation of those tight regulations, ebooks have systematically begun to undercut the practices of books having, for each format and edition, a price that is easy to anticipate by the consumer.

A snapshot of the top 10 bestselling fiction titles in a number of charts, as published by various online platforms and trade publications, produces a strikingly confusing picture indeed. Those bestselling books, in digital format, cost anywhere between €0.99 and €25.



Germany: Comparison of price points for digital and print editions of bestselling fiction titles, in charts from Amazon, retail chain Thalia, and point-of-sale print bestseller charts from buchreport/Der Spiegel, in February 2016.

In the case of Germany, publishers have always argued in favor of pricing the digital editions of their new titles, notably of bestselling fiction, as closely to the print edition as possible. As a result, the most authoritative bestselling list for print books, which is published by buchreport/Der Spiegel, and based on point-of-sale data, has the ebook edition of those top titles priced in their majority at €15 or more (dots in blue, from the print editions priced at around €20 (orange dots)).

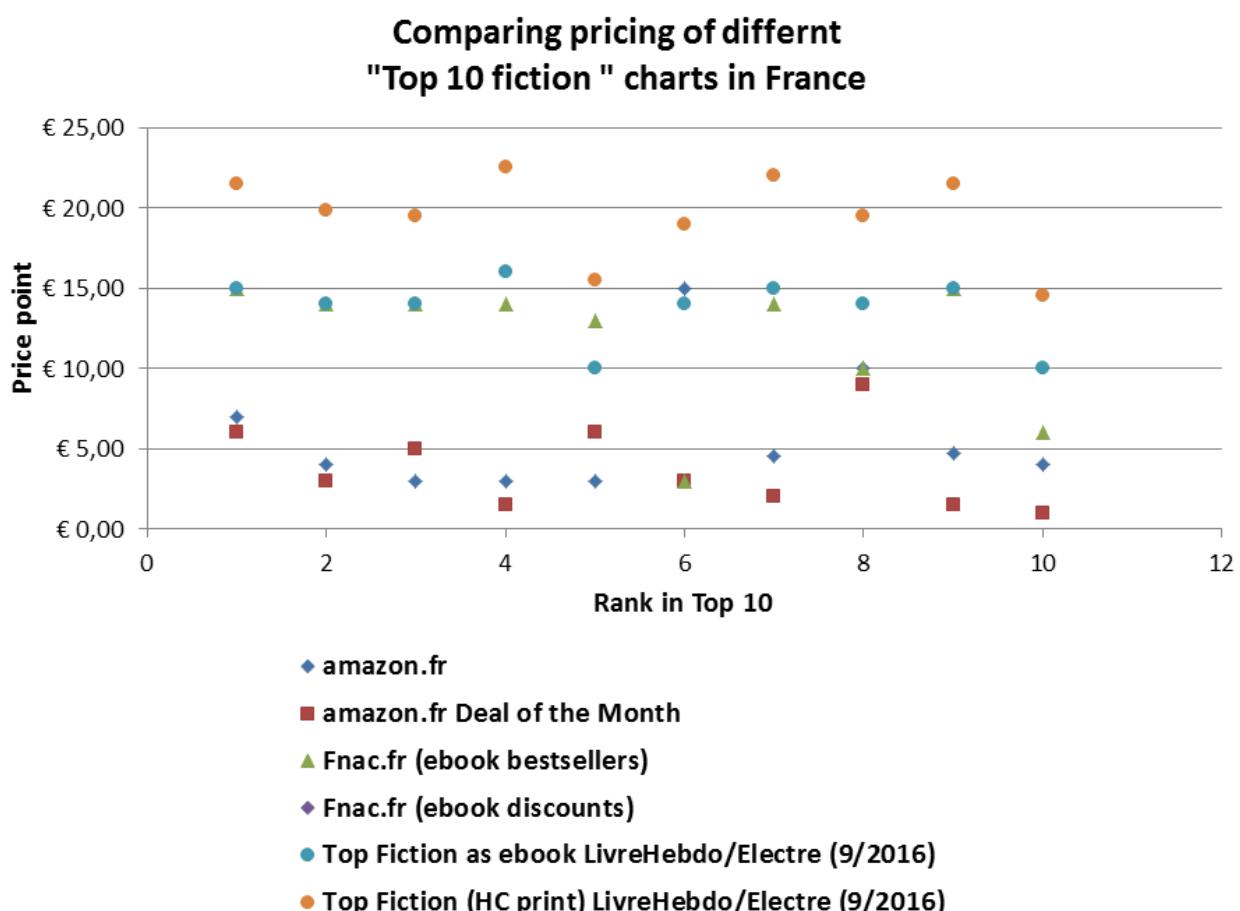
But over the course of the past two or three years, the leading retail channels, such as Amazon or the book chain of Thalia, display their own bestselling lists for ebooks, with mostly price points well underneath €10. In our chart, this is highlighted by a growing number of dots, across all platforms and formats, below the threshold of €10. This reflects a fairly new pattern with a colorful mix of ebook editions of titles from traditional

publishers, self-published titles (which Thalia - a partner of the Tolino alliance - chose to allow in its charts only recently), as well as ebooks that are in effect promoted through discounts, targeting what can only be seen as a growing price sensitivity among consumers.

A particular driver in this evolution is Amazon's offer to publishers to pick a title for what is branded as a "Deal of the month" (or day, or week) campaign. If a publisher participates, the title is registered for that discount promotion one month ahead in the official books-in-print catalog - and as a consequence, sold at that discount also at any other download platform, to, at Thalia, Weltbild, or Hugendubel. As a matter of fact, this practice, has become a powerful marketing tool, which according to some publishers (in interviews for this report) can be decisive for the popular success of some books, as they gain in visibility heavily, which gives them an edge over other titles. The promotional scheme is strongly embraced by some publishers - both large groups, and independents -, notably for authors of series of similar books.

Inadvertently however, such a promotional scheme has resulted in giving Amazon the authority of picking those titles, which then is followed and implemented by both the publishers, and even Amazon's competitors in online retail - without a comparably strong marketing tool set available for any other actor in the market.

Checking the same analysis to the French market produces a slightly different pattern.



France: Comparison of price points for digital and print editions of bestselling fiction titles, in charts from Amazon, retail chain Fnac, and point-of-sale print bestseller charts from LivreHebdo/Electre, in February 2016.

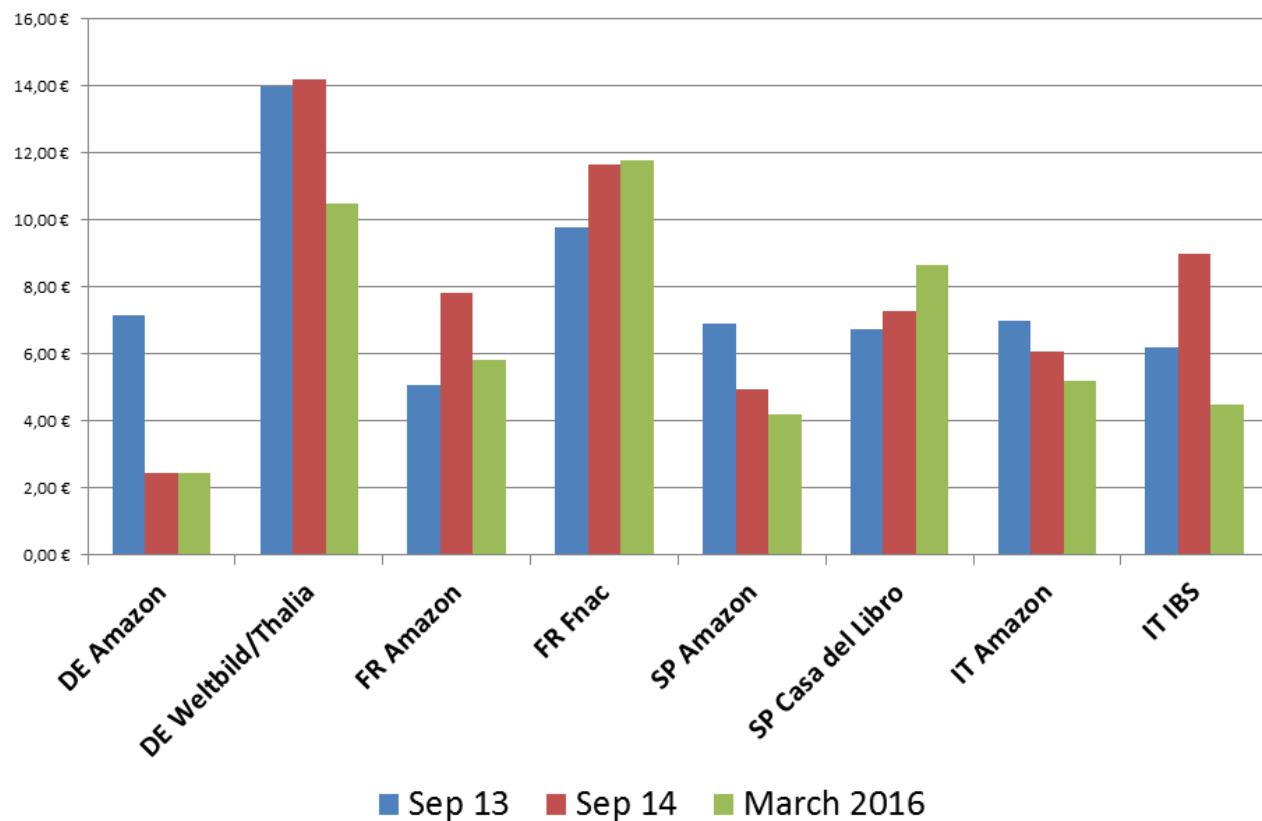
The many differences between ebook markets across Europe

Similar to Germany, but not as strongly, Amazon and the leading domestic retailers, notably Fnac, build a low

price corridor underneath a threshold of around €6 or €7. And Amazon's "deal" offers are available, but with less emphasis than in Germany. Still, despite the broad industry consensus on fixed pricing, and also a broadly shared anti-Amazon stance among many traditional actors in the book business, pricing as a marketing instrument seems to have gained momentum in France, too.

Over the past two years or so, different pricing patterns have emerged for ebooks in those markets in continental Europe where Amazon has a localized presence (that is Germany, France, Spain and Italy). We can document and compare that evolution between September 2013 and March 2016 by the example of top 10 bestselling ebook titles at both the respective Amazon charts, and their equivalent of major domestic retail platforms.

Top 10 ebook charts (EU) Ave. price points Amazon vs. domestic retailers



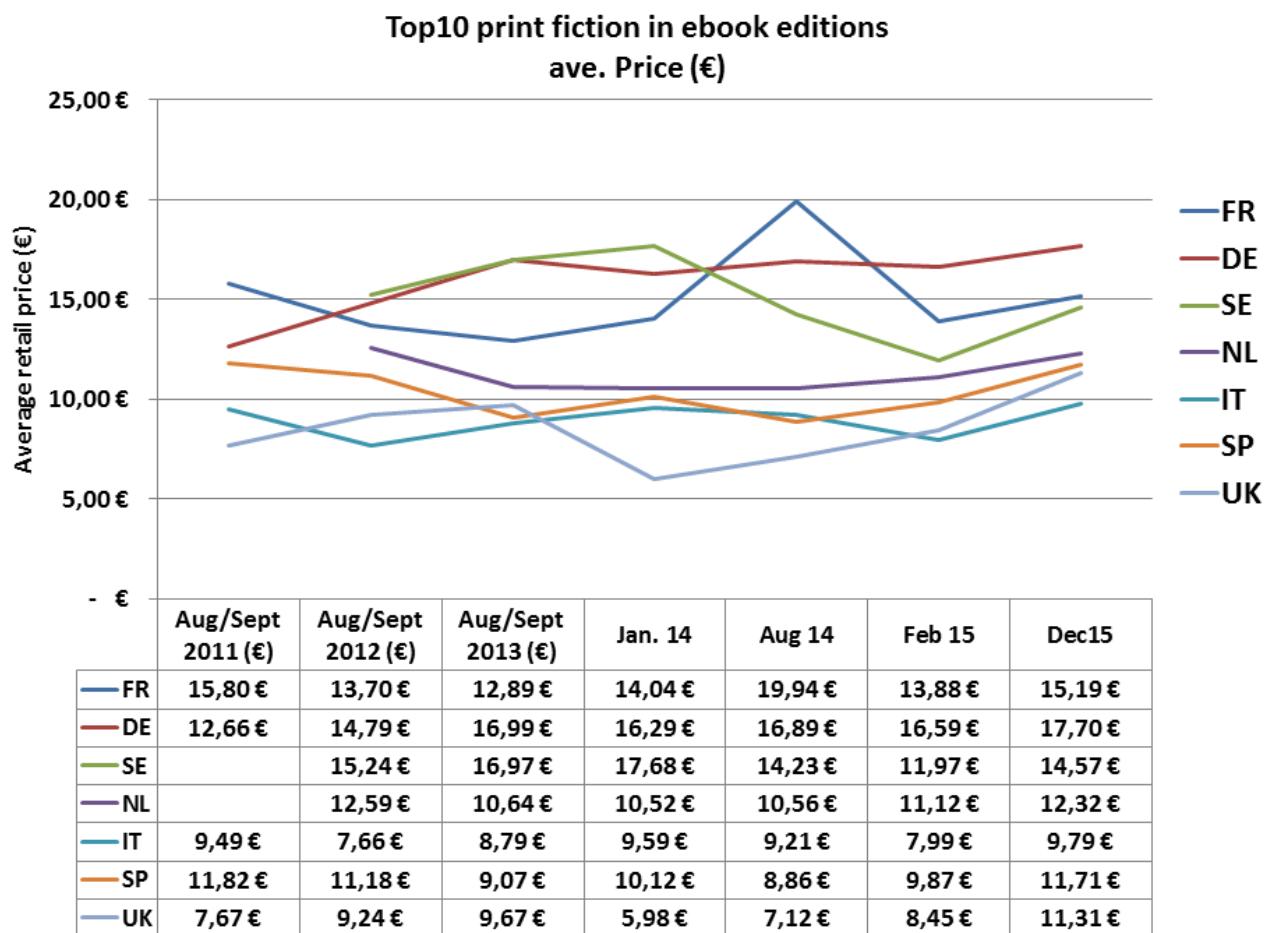
Comparing price points for top bestselling fiction titles at Amazon and leading domestic online retailers in Germany, France, Spain and Italy, September 2013 to March 2016.

In all four markets, Amazon's top selling ebooks generate a significant pressure with regard to the ebooks' average retail price, while the local platforms, by comparison, have ebooks at higher price points at the top of their charts. This results mainly from allowing, or discriminating, self-published titles in the charts' algorithm, and the connected marketing strategies.

The gap between Amazon and the local platforms is particularly wide in Germany (with Weltbild, and for March 2016, with Thalia as a local platform - both partners of the Tolino alliance), and France (with Fnac), where publishers have made it a policy of defending higher price levels for the digital editions of their top title releases. In Spain and Italy, the this gap has narrowed significantly over time.

For Germany, we have replaced Weltbild with Thalia for the 2016 analysis, after Weltbild's significant decline in market share and web traffic in the aftermath of its bankruptcy filing and re-structuring in 2015.

In yet another approach of tracking pricing developments for 7 different European markets over time, starting in 2011, we have been looking at each market's top 10 print bestsellers in fiction, and the price for those title's ebook editions.



Evolution of price points for ebook editions of top print bestsellers in selected European markets, 2011 to 2015.

Again, a few markets stand out by a specifically high average pricing level, namely Germany, France (and Sweden, where Amazon so far has not opened a local online store). For all other surveyed markets, an amazingly consistent pricing corridor of around €10 to €12 has emerged, which, most interestingly, is also fairly in line with the new agency pricing level in the US.

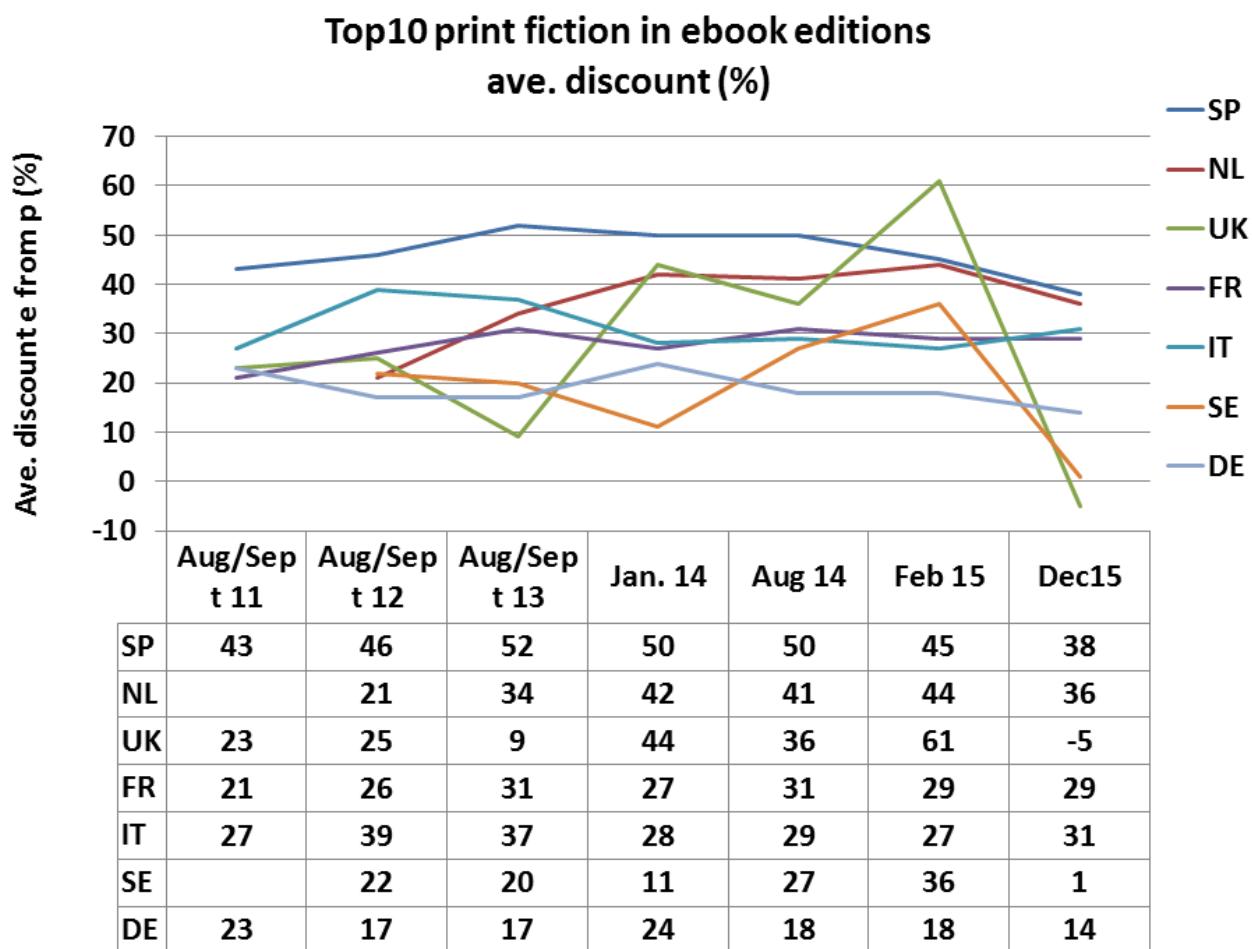
Looking at the average discount levels between print and digital editions of top selling new fiction in those markets results in a more confusing picture, which requires some more detail to be fully transparent.

In Spain, Italy, but also in France and the Netherlands, in the top segment of fiction released by traditional publishers, ebooks are discounted between around 30 and 40%, as compared to just around 15% in Germany - where a broad debate has emerged about making books more expensive across the board, in print and digital. A similar approach of keeping ebooks costly can be seen in Sweden.

One could argue that the relatively large discounts in Spain and the Netherlands reflect a market development where ebooks have arrived mainstream in the market - with in Spain, notably, a strong pressure from piracy -, while in France and Italy, at around 30%, publishers are still figuring out how to maneuver reasonably between the ambition of keeping ebooks close to hardcovers (or brochure, in a title's first edition), and finding price points close to consumers' expectations.

In the UK with its free pricing regime, and traditionally hefty discount battles, for all formats, ebooks are

marketed now similarly to paperbacks, with a wide margin for price marketing.



Evolution of discounts for ebook editions of top print bestsellers in selected European markets, 2011 to 2015.

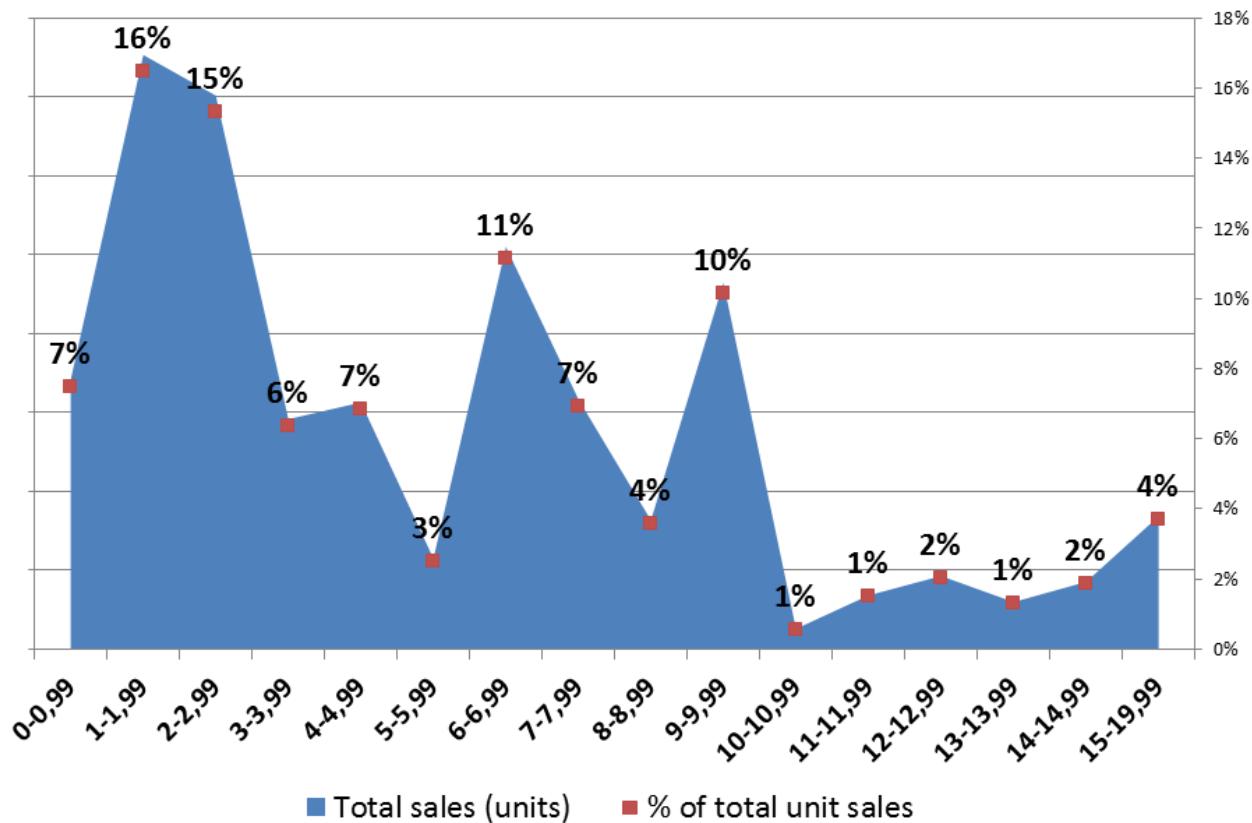
Overall, we can identify an increasing fragmentation, or more precisely, a segmentation, of the book market, by format, or target audience or producers, resulting in market sub-segments that are more and more clearly set apart from each other.

Different prices catering to different target audiences

Ebooks less and less form one integrated market segment, where consumers would expect consistent and stable pricing levels, or corridors. Instead, driven mostly by Amazon and by a growing market share for self-publishing, different segments have found probably different target audiences which clearly are shaped by different pricing approaches, and which also are supported by different sales channels. And only Amazon operates as one umbrella that is effectively overarching the entire spectrum.

A snapshot of one German distributor's unit sales for 2015, [Bookwire](#) (a sponsor of this report), based on a catalog of some 70,000 titles, and segmented by price (with free ebooks excluded), highlights a few probably surprising insights: Over half of all sold ebooks cost less than €5 (and almost one third were sold between €1 and €3). This is the segment where most self-published titles can be found, as well as most of the ebooks from traditional publishers when they are picked by Amazon or other retailers for some special promotion (e.g. 'Deal of the Week', or 'Deal of the Month' - see the chapter with the Country Close Up on Germany for details about competition on price in Germany's fixed book price market).

Total unit sales 2015 (by retail price)

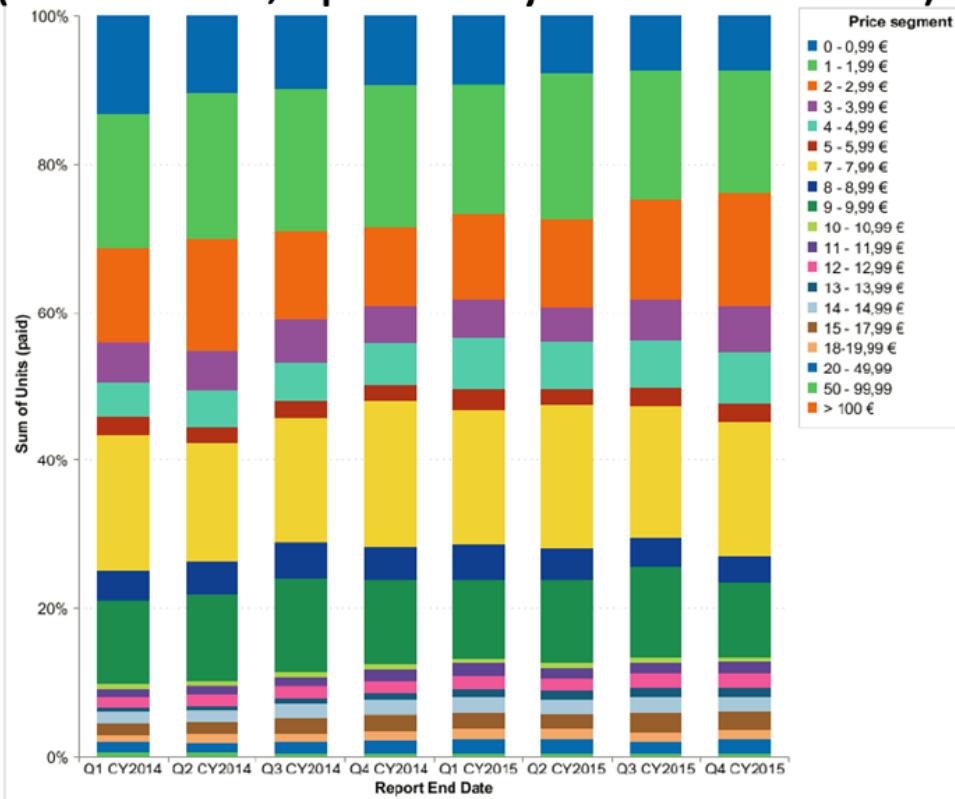


Germany: Ebook unit sales, by price points, 2015. Data courtesy by Bookwire.

The segment from € 10 to €20 - which is where most of the ebook editions of hardcover front list titles from traditional publishers are to be found, account for 11% of all unit sales at Bookwire.

Astoundingly, for some time at least, ebooks that cost more than %5 have been able to slightly expand their market share. But that curves seems to have reversed recently.

Unit sales by price segment (Bookwire, quarterly 2014 to 2015)



Germany: Unit sales by price segment, 2014 to 2015. Data and chart courtesy by Bookwire.

To be fair, it must be added that Bookwire's catalog supposedly contains less ebooks from the biggest German publishers' front list catalog than their overall market share in all of Germany's digital trade market. But the basic pattern is absolutely consistent with data from several other authoritative sources, namely distributors who share insights for this report.

Another example is [Readbox](#), a German aggregator and service provider as well, with a significantly broad and diverse base of customers, whose overview on revenue for 2015 shows a similar distribution with regard to price - and in addition provides break out numbers for the two leading online retailers for ebooks in Germany (labelled as "retailer 01" and "retailer 02").

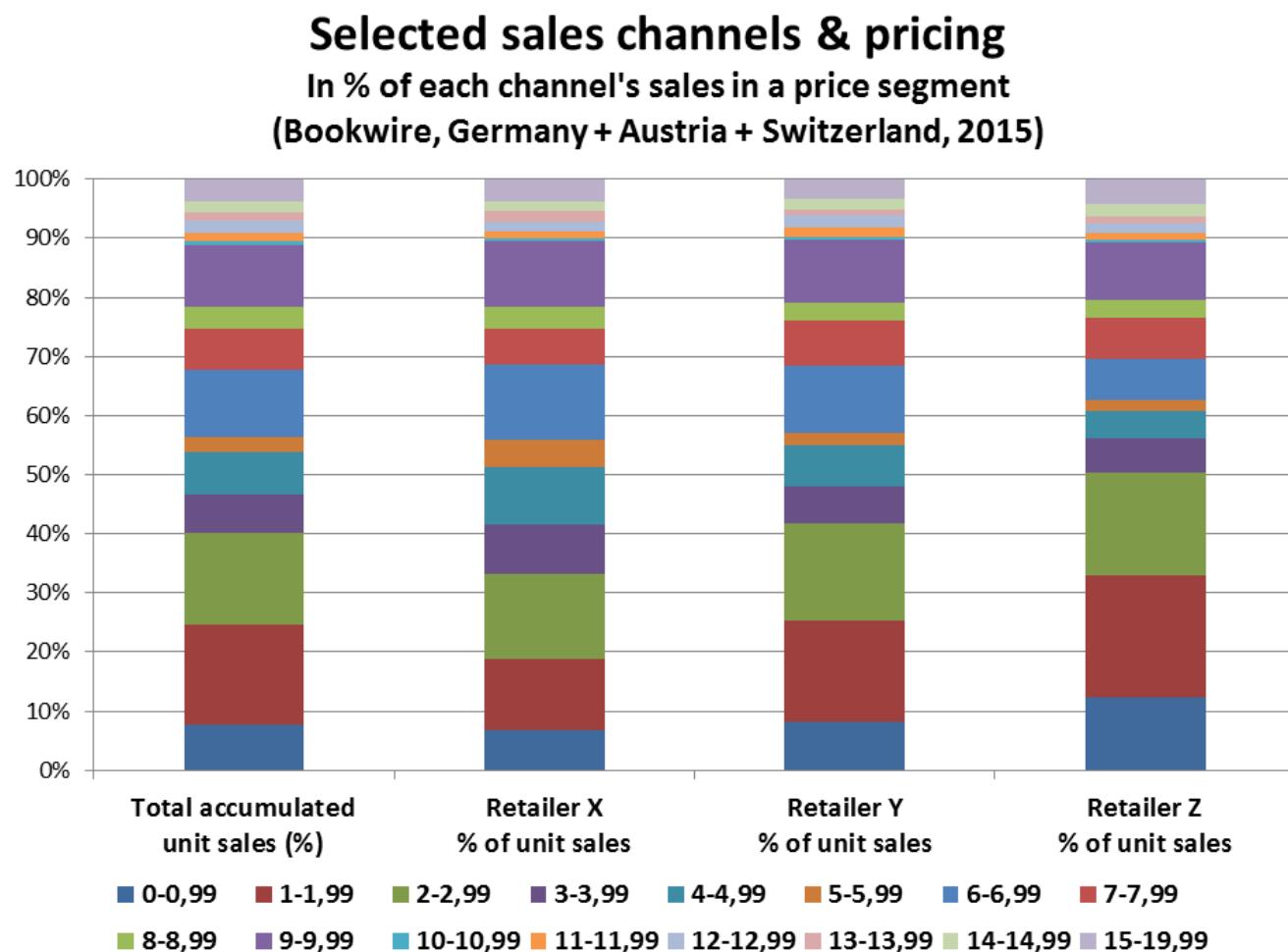
	2014			2015		
	Total	Retailer 01	Retailer 02	Total	Retailer 01	Retailer 02
Free ebooks	40%	39%	28%	37%	37%	25%
€0.01 - 2.99	18%	20%	16%	22%	23%	23%
€3 - 5.99	8%	9%	9%	12%	11%	15%
Over €6	34%	32%	47%	29%	28%	38%

ReadBox comments: "These numbers show that retailer 02 has a stronger representation of titles in the higher

priced market segment, whereas retailer 01 seems to be more price sensitive as well as more focused on pricing."

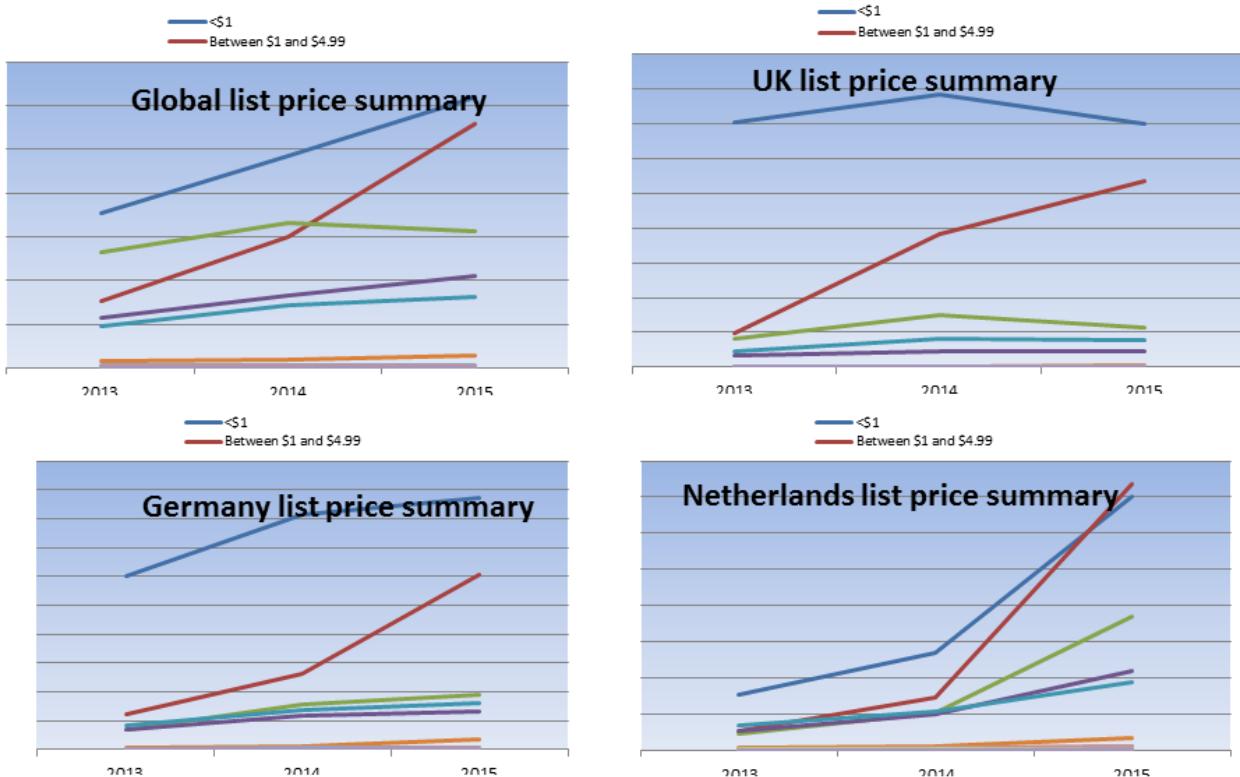
In a recent case study published by ReadBox, the distributor says that, according to its records, "retailer 01" has a market share of 53.8% of all revenues generated from ebooks (down -13.2% from 2014), while "retailer 02" owns 26.3% of ebook sales (up 57.6% over 2014). ([buchreport](#), 16 Mar 2016)

An equivalent break out chart from Bookwire, with data from 3 leading retailers in Germany, for 2015, underlines the difference in focus on price at retailer X, as compared to a focus on a more high cost title catalog at retailer Y - and again a strong emphasis on low price at retailer Z.



The huge, and still strongly expanding share of ebooks priced between \$1 and \$5 (or Euros, at the current exchange rate of around €1 = \$1.1) is once again echoed by data from Ingram, showing the evolution in its catalog from 2013 to 2015, for both its entirety, as well as for selected markets, in our case the UK, Germany and the Netherlands.

Global and by country list price summary (Ingram, 2013 – 2015)



Pricing segments of ebooks overall, and in UK, Germany and the Netherlands, 2013 to 2015. Data and charts courtesy by Ingram.

Understanding market growth versus revenue growth for publishers versus growth by category

For most non-English markets across Europe, local trade associations and market research firms have reported little or no growth for eBooks in the past two years (2014 and 2015). Again, this is only part of a realistic representation of what is really going on.

Data which we could receive from our distributors allow a more in depth understanding for the case of Germany.

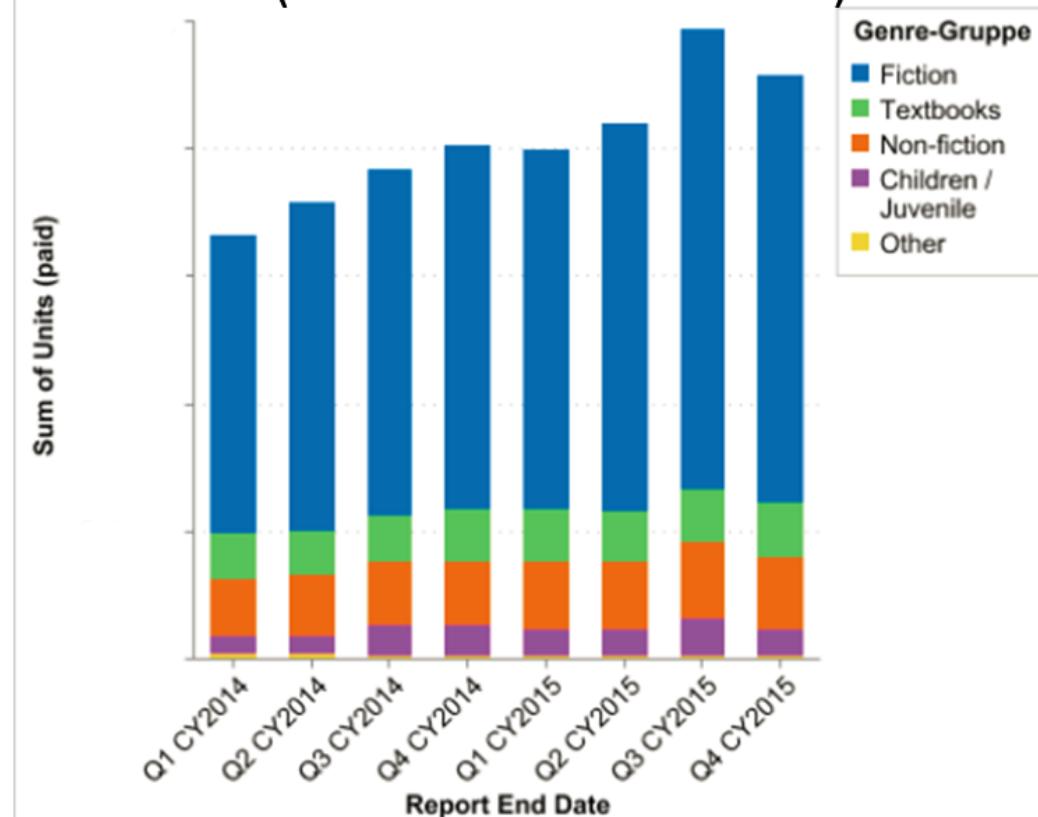
According to ReadBox, the eBook market, as seen through the window of the distributor's catalog, has shown an average annual increase of 32% (CAGR) from 2012 to 2015. It is correct to say that this evolution has slowed down in 2015, to 16% in value, and 12% in volume, year-on-year. The average retail price has slightly moved up from €3.05 in 2014 to €3.14 in 2015.

More important than overall growth rates are relevant changes in two key market parameters: Re-negotiations of terms with the largest retailers, which probably benefited the retailers more than the publishers (while no details on terms have been published), and a new European tax regime (the [destination principle](#)).

From a publisher's point of view, this meant that only a fraction of the market growth has hit the bottom line.

A second factor is that, by category, only fiction has shown sustained increases between 2014 and 2015, as Bookwire reports.

Evolution by category (Bookwire 2014 – 2015)



Germany, Evolution of ebook sales, by category, 2014 to 2015. Data and chart courtesy by Bookwire.

This collection of snapshots and trending charts is certainly far away from providing a consistent and complete overview of figures necessary to portraying what is currently going on in ebook markets in the non-English languages markets, and what are the key drivers in that evolution. But it is a first attempt to clarify which might be the questions that must be asked, and what would be the sort of statistical evidence that the industry should insist on having at its disposal.

Otherwise, everyone is navigating in the dark, without a map, in these times of digital transformation. This is a tremendous handicap for policy makers as much as for market actors, notably publishers, and retailers (probably with the sole exception of two players on the field, Amazon and, for each market, the respective leading domestic number 2).

Debates and battles over ebook pricing in the US and UK

In the US, from 2012 to 2013, a battle raged over the *agency model* of pricing ebooks, as the Department of Justice (DoJ) accused Apple and five major US publishing groups, Penguin Random House, Hachette, HarperCollins, Simon & Schuster, and Macmillan, of a *conspiracy* and *collusion* for keeping prices for ebooks up, against the interests of the consumer. Formally, this legal battle has come to a final conclusion only in March 2016, when the US Supreme Court rejected to hear Apple's appeal in the matter. ([Fortune](#), 7 Mar 2016)

In the summary of the Wall Street Journal, this is what the controversy was all about:

It's a term for a new way of setting e-book prices that came about as Apple

prepared to introduce its iPad in 2010. Under the traditional "wholesale" pricing model, publishers had long charged booksellers around half the cover price of a book, leaving booksellers to discount the books if they wanted. To sell more of its Kindle e-readers, Amazon offered many titles below cost, including best sellers at \$9.99. Publishers disliked the strategy, fearing it would make it harder for them to sell hardcovers at higher prices. They also worried that Amazon, which at the time had an estimated 90% share of the e-book market, would gain too much bargaining power. (What is 'Agency Pricing', [Wall Street Journal blog](#), 11 Apr 2012)

The resulting legal procedures and settlements "to ensuring that e-books are as affordable as possible" have been understood as a watershed decision.

Publishers have been obliged to "terminate its current contracts with Apple", as well as other similar contracts, renegotiate contracts, and "designate an antitrust compliance officer", and submit settlement agreements with the DoJ. (DoJ in a [statement](#) on 4 Nov 2012). In 2013, Apple was found guilty of violating anti-trust law, and all five accused publishers have entered settlement agreements. (For the ruling against Apple, see [New York Times](#), 10 Jul 2013; key excerpts of the Apple ruling in [New York Times](#), 7 Oct 2013; summary on the publishers' settlements in [The Guardian](#), 7 Sep 2013)

In Canada, four major US publishing groups, Hachette Book group, HarperCollins, Macmillan and Simon & Schuster have signed an agreement with competition authorities to lower ebook prices. ([Livres Hebdo](#), 7 Feb 2014)

In the United Kingdom, heavy discounting of ebooks by distributors - as Sony, at first, and then Amazon as well as Barnes & Noble through its Nook decided to price selected front-list titles at only 20 (or later 99) pence - has heavily impacted on both publishers' revenues, who would benefit from surging sales of those titles that had been picked for the campaigns, and the competition between retail platforms.

Paradoxically, the fact that particularly the Big Five leading publishing groups in the US could now impose higher ebook prices, and avoid that Amazon discounts their ebook titles, may in the end have played against their interest, and instead be to the commercial advantage of Amazon and self-published authors. This is at least the argument brought forward by the self- or independent author's market analysis as documented in their reports at [Author earnings](#). According to these findings, which are based on a detailed analysis of Amazon's sales, the Big Five's market share has declined after the implementation of the revised "agency pricing" model, while self-published digital books have expanded, and as that latter segment is seen to be strongly dominated by Amazon's self-publishing services, the online platform has gained a more prominent position in the market, while at the same time avoiding costly discounting plans.

Consumers are remarkably divided in their expectations, according to the *Digital Census*, released by The Bookseller in January 2014, as over a third think that ebooks should sell for slightly less than their print equivalents, while 27.2% expect ebooks to sell for significantly less. (The Bookseller: [Digital Census](#), Jan 2014)

In the second half of 2014, a new battlefield over terms relevant for the pricing of ebooks (and printed books) formed when Hachette clashed with Amazon over a new agreement, and Amazon delaying orders of Hachette titles. Similar confrontations have been reported opposing Amazon and the Swedish Bonnier group, as well as subsequently most other leading publishing conglomerates, with Harper Collins being so far the last in that list of negotiations in a power struggle between publishers and the online retailer over terms. No details of the subsequent consensus have been revealed though. (For a summary of the Hachette Amazon battle and

settlement, see [New York Times](#), 14 Nov 2014).

Piracy: Nuisance, threat or opportunity?

Targeting the average mainstream middle class cultured audience.

Pretty much every successful digital publication, including this report, has pirated copies being offered illegitimately for a free download on a variety of websites. Digital pirates are a fixture on the worldwide web, as their ancestors have been for times immemorial, along any trade route across the seven seas.

The questions that are relevant for this report however are more limited, and targeted: To what extend do piracy site impact on the regular trade with digital publications, and specifically ebooks? And more precisely, is piracy a relevant part of the overall market that we must understand, in order to better develop the legal side of the business?

This report's agnostic position is not an anti-moral statement, but comes with a practical reasoning: Given the hugely complex, controversial and expansive arena in which debates on privacy, censorship and a growing number of related legal issues are debated (for which the authors of this reports have multiple, but in the end individual positions), we limit our ambition to a simple and practical question: How can we describe, and assess, ebook piracy, with regard to the ebook trade as a business. And we limit our ambition even more, by focusing on a few markets in the European Union - which, it turns out, is challenging enough.

"We do not know the dark figure", admitted Marco Verhülsdonk, of the Holtzbrinck Publishing Group's Verlag Kiepenheuer & Witsch, in an interview in 2015, and he was echoed by Thomas Schierack, CEO of German Luebbe publisher, a house that is particularly committed to digital: "We rely on our gut feeling", he said, asked for assessing the damage caused by piracy to the commerce of publishing in Germany. ([FAZ](#), the "Freebie Generation", 23 Mar 2015)

In Spain meanwhile, many publishers accuse illegal downloads as being the most important single factor in the stalled growth of the ebook market segment, after a period of remarkable expansion. (E.g. Núria Cabutí Brull, CEO of Penguin Random House Grupo Editorial, unanimously with Blanca Rosa Roca of the independent Roca Editorial, in interviews for this report in February 2015.) Some reports in early 2016 hint at some relief in the competitive challenge from piracy for Spain, due to a mix of lower prices for legal downloads, anti-piracy campaigns, and a better macro-economic context. But, as we shall see, the relief may confront some new challenges from mixed legal-plus-pirate-platforms as well.

In France, media were shocked when in early 2015, the new controversial novel of French star author Michel Houellebecq, "Soumission", was available online for free, illegal download a good week before the official release of the book. And Laurent Beccaria, the publisher of the biggest bestseller in 2014, Valérie Trierweiler's "Merci pour ce moment", the juicy memoir of the former companion of the French president Hollande, conceded, with regard to the massive piracy demand for the title: "In fall 2014, I really got the impression to have entered the 21st century." ([Le Monde](#) on "Livres piratés: l'âge de raison" (Pirated Books: The Age of Reason), 21 Jan 2015)

In Germany, the media coverage on piracy is largely focusing on other media formats (such as movies, games or video), or on the celebrity personality of German native Kim Schmitz, of Mega, and much less on issues related to digital books.

Ebook piracy over time had hit some headlines, perhaps. But in fact, no-one knows for certain, how big piracy is, in terms of commercial loss.

Oddly enough, the European Commission holds a high profile with regard to VAT and ebooks, or in going after global companies such as Google, or Amazon (or Starbucks) on issues such as tax avoidance, or infringements to competition law. But a European study on ebook piracy simply does not exist, nor, at least to our knowledge, has such research never even been attempted.

Understanding piracy as a maturing parallel market

In the 2015 edition of this report, we included for the first time a dedicated chapter on ebook piracy, looking at a selected number of platforms for illegal downloads as forming a significant market segment for digitized books, and other content.

For 2016, we decided to deepen our look into piracy, as this seemed only reasonable in view of a growing gap between a stalling of ebook market growth in most of continental Europe at very low levels, which coincides paradoxically with the continuous expansions of digital in accessing at least all other forms and formats of media content.

Thanks to the web analytic services of [SimilarWeb](#), who generously granted this report to use its "Pro" suite for several months, starting in January 2016, we could track and analyze a variety of web platforms, legal and illegal, of our choosing.

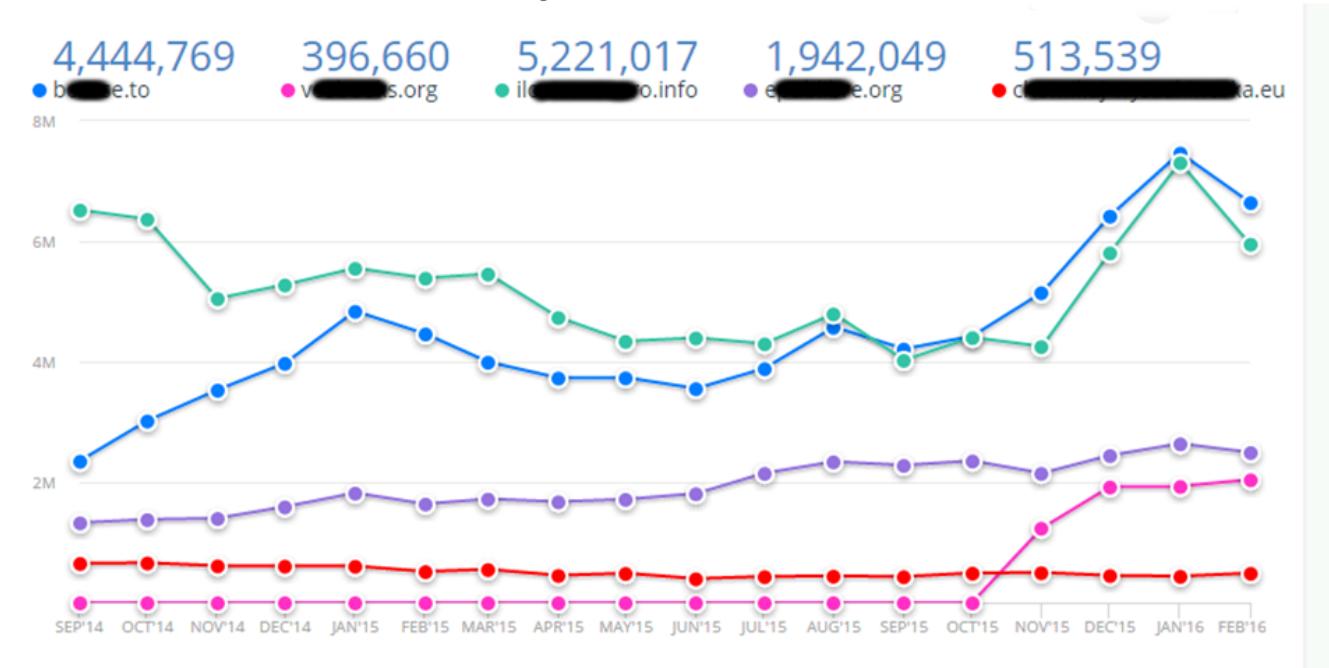
SimilarWeb not only provided tools for monitoring the overall web traffic, with a history of 24 months for each singled out website. We also could assess a wide array of other relevant parameters, such as average page visits, or bounce rates (that is how many visitors quit a website after just looking at one page). We could also screen which other web pages have been relevant to visitors of our main target sites, or who was advertising on those sites.

The result is a wealth of harvested information, which allows to broadly explore scopes and patterns of usage of a number of both legal commercial and illegal (piracy) websites that are key to the online book trade in the target markets which we had chosen, namely Germany, France, Spain, Italy, and Poland.

A snapshot of traffic over the past 18 months of 5 of the leading piracy websites in these countries highlights that most of them had a jolly good business development.

5 European piracy websites

Traffic Sep 2014 to March 2016



Web traffic piracy sites; Anaysis for this report. SimilarWeb Pro

Comparing web traffic at 5 leading piracy websites with relevance to ebooks in European markets. Web monitoring with SimilarWeb.

The sites monitored here are link forwarding services, which usually do not carry the actual pirated content files on their servers, but rather refer to those file deposit sites, which in return are difficult to track. These link services act like a Yellow Pages for illegal downloads. They are, technically, much more user friendly as they are designed as curated community websites, catering to precisely targeted communities of content aficionados. In overall traffic, these download resources may be relatively small, by comparison to the much more common torrent websites - which are the prime target of most legal anti-piracy actions. But as ebook files are small, file referrals are much more efficient, and convenient, and easier to curate to a level of user comfort that only a few market leading (legal) commercial platforms can match.

None of those platforms target only (e-)book readers. Instead, they mirror their users' shifting habits of cultural consumption, as they are truly consumer centered web services, catering to an audience that not only reads quality books, but is also interested in the equivalent music, movies, TV series, or any other relevant content. These sites - or, more properly labeled: these services - target the average mainstream middle class cultured audience.

These qualifiers can be easily identified by various parameters, ever more so, as those qualifiers are similar to a significant degree across websites and markets.

Traffic at all those sites is massive, with many sites recording over one million visits per month, with, ranking in the top tier of overall traffic in their respective country (often between country ranks 100 to 400), as far as we could see from our SimilarWeb tracking tools, and with a remarkable majority of users having obviously bookmarked the respective sources in their browsers. All qualifying indicators that we have been able to track point to firm communities of users who have identified these websites as particularly relevant to their search

for content, in various formats, with mostly books (identified in word clouds, as "books", "ebooks", alongside with other reading material, such as "news", or "magazines".

Our comparative in depth analysis of a good dozen of leading (ebook and other e-content) piracy sites in Germany, France, Spain, Italy and Poland has highlighted some strikingly similar characteristics:

- Each major (linguistic) market in continental Europe is targeted by a few e-piracy content platforms which are targeting mainstream cultural audiences with a more and more 'curated' content offer, obviously bench-marked from, and directly competing with the respective leading legal providers;
- Ebooks are relevant to a lesser degree at across-the-board piracy platforms, yet with variations between more reading friendly markets, or markets more referring to other content, yet often allowing more or less dedicated "reading" services to emerge, which never are "ebook-only", but aiming at "cultured audiences" (notably in Germany and France);
- In some markets, notably in Spain and Poland, mixed platforms have emerged which are both pointing to legitimate (commercial) download options, and to (illegitimate) free offers;
- In markets with a lower penetration of legal (ebook, or other cultural) content offers, any search engine driven research for specific content titles seems to go to torrent sites (as compared to directly 'bookmarked browser search by users who already have adjusted to their favorite content sources).
- The 'reading' or ebook affiliate audience is clearly organized around (piracy) websites serving an audience dedicated to books and reading, and not to any diffuse 'nerdy' or at random 'collecting' users of 'free stuff';
- Comparisons of "preferred other sources" in our research showed significant relations between piracy and legal sources in markets with a growing well established legal ebook market, like Germany;
- In several instances, piracy sites clearly can out-compete legal vendors, when it comes to catering to overseas / ex-pats communities (e.g. digital exports from Poland to the US market), where probably convenience and community affiliation are more important than price;
- Piracy sites targeting very specific audiences, such as academics and other research professionals (notably g***|***), which have been particularly targeted by global leading STM publishers, have clearly fallen in overall traffic, yet in their dedicated niche (e.g. scientific research) being supplanted by ventures with new approaches (like SciHub, whose approach includes policy based challenges related to the Open Access debate).

Altogether, a number of indicators hint at a piracy sector that has matured recently - to borrow a term from economics -, in the sense that a very significant number of consumers download ebooks for free in large numbers, without bothering too much whether this is legal, or not, or whether the legitimate rights holders (notably the creators), and the producers of these books get compensated for their efforts, or not.

Piracy communities relevant to ebooks in Europe: Case studies on Germany, France, Spain, Italy and Poland

Our exemplary interest is directed at several non-English language markets across Europe, namely France, Germany, Spain, Italy, and Poland, in the ambition to gain a more detailed understanding of user profiles and the communities which they form online, the origins of the traffic which they produce at piracy sites, as well as their dedicated interests and preferences in searching for content, and to compare targeted interest in ebooks with exploits for other media. For practical and technical reasons, we primarily skipped torrent sites, and instead largely looked at linkage platforms.

Following a systematic research routine with the SimilarWeb toolset, we would typically track and analyze one website, or a set of up to 5 sites which we considered to be comparable in meaningful ways, over a period of 3 to 24 months, along the following parameters:

- Overall traffic evolution (visits);
- Origin of visitors, indicating whether a site was popular with visitors from only one territory, or linguistic group, or several;
- Traffic engagement, notably visit duration, average number of visited pages, bounce rate (% of visitors quitting after only one page visited), as an indicator of user interest, or value given the website by its users;
- Traffic sources, indicating if users came to a website predominantly through 'organic search', through dedicated 'referrals, social media, or 'direct' (e.g. by having bookmarked a site already);
- Indicators to whether a website's audience was specifically interested in ebooks (as compared to other content, services or formats): This includes an audience's main 'interests', as indicated by other websites that users might have bookmarked, or typed-in regularly, as well as other pages which are 'popular' with the same audience, plus sites acting as direct competitors;
- Keys to main advertisers, and outgoing links, on a piracy website, as indicators to its main sponsors and beneficiaries (aside from their users); this includes insights on the content repositories that a piracy lining platform is referring to.

The search was executed notably on the following piracy websites:

Main market(by traffic origin)	URL (made anonymous)	Ave. monthly visits (million, past 6 months)	Page rank in main territory (country)	Notes
Germany	b***e.to			
	***n.to			
	e**k-h**l.to			
	s***nj***s.de			
France	v***s.net			also v***s.me
	e***z.com			
	r**n-g**t.com			
	f***e-t***t.org			
	t***1.in			torrent!
Spain	e***e.org			
	e***k.com			
	e***a.org			
	***s.es			new type of mixed legal & piracy
Poland	c***j.pl			similarities to ***s.es

	e***l.pl			
Global	I**bg**n			various domain variations

The research routine has been executed for a few dozen websites, both legal and illegal, as mutual benchmarks, in the ambition of gaining data that are consistent and comparable. The following documentation is just a summary of the generated findings.

Profiles, scope and popularity of selected piracy sites, and comparisons with relevant legal e-commerce platforms

Piracy sites operate in a context of fierce competition, producing just a few clear winners for any given audience, territory and content niche. Next to paramount portals, in terms of content type, offering games and video and ebooks next to porn or software, can be found as much as portals dedicated to one type of consumer interest, such as TV series.

Some providers successfully cater to their audience over years, migrating, if taken down through legal prosecution, almost seamlessly from domain to domain, handing over their content as much as their audience from one provider team the next, and openly bragging about their achievements in getting more sophisticated in the process. We could track several such cases, where the audience has been successfully re-grouped on a new URL within two to four months.

Germany

One such example in Germany is B***e.to, run by, according to its own declaration, a "lose collective of Internet activists", financed only through contributions from their users, in bitcoins, with no advertisement on their site. Active in its current setup since summer 2014, the platform saw a stiff rise in popularity of the year end holiday season of 2015, repeating a pattern of growth already seen in late 2014, to over 6.4 million visits in December 2015. The closest competitors by traffic, both specialized in reading materials, I***n.to and e**k-h**l.to, accounted for between 1.4 and 1.5 million visits.

I***n.to is actively partnering with equivalent sites specializing in movies, audio-books, games, TV series, and porn, and promotes paid for subscription with premium download and anonymizing services, for additional income, on top of advertising revenue. For readers, it not only offers a catalog organized by category, but also huge bulk packages. Commercial advertising is strongly dominated by gambling platforms, operated by leading international advertisement companies.

e**k-h**l.to clearly specializes on reading material of all sorts, in German and English, from newspapers and magazines, to comics and manga, to audio as well as ebooks, and operates within a similar, partly identical, partner network. The site only acts a a link server, pointing to one-click-hosters. According to the provider, who remarkably issues a "copyright" notice, alongside a detailed legal "disclaimer", for his website, the platform operates from Switzerland since 2011.

All three platforms cater to well over 90% to audiences in German reading territories, with country page ranks for Germany of 141 for b***e.to and between 850 and 940 for the other two. Users see significant dedicated value in the platforms, as bounce rates are between 17 and 35%, with between 5 and 7 pages visited on average.

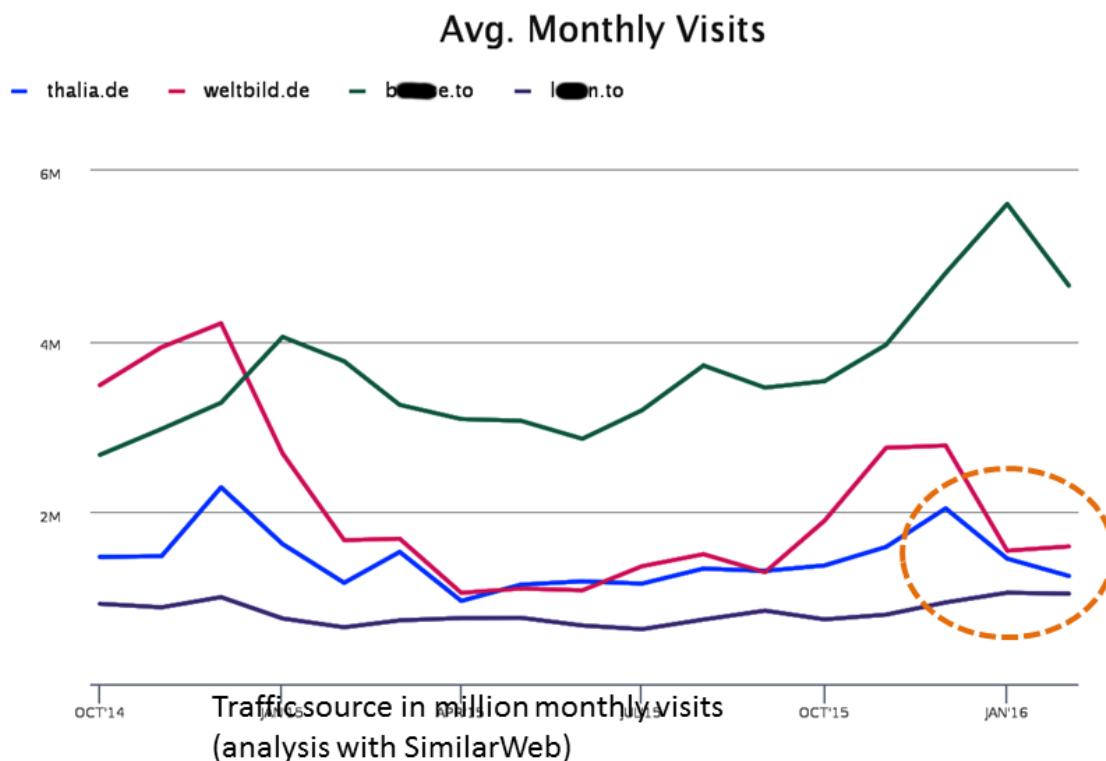
Both dedicated book sites show the expected distribution in a community specializing in strong (ebook)

readers, whose reading preferences are focused on genre fiction (notably crime, romance or erotic, SciFi and fantasy), topping general fiction, and with a significant popularity for magazines and for bulk offers.

By comparison, the two leading legal book retailers in Germany (as we exclude Amazon in the analysis for the moment), Weltbild.de and Thalia.de, show traffic levels of 5.6 and 3.5 million visits in December 2015 respectively, for their total offer of printed and digital books plus other merchandise. Hence traffic at the legal sites is lower than at the leading piracy sites, which record between 7 and 8 million monthly visits, and the pirates have a more impressive bounce rate, hinting at higher user satisfaction.

Looking in more detail and depth into the case reveals ever more strikingly how our approach of describing legal and piracy sites as being in a competition for a partly - or even largely - shared target audience is justified by user data.

2 legal and 2 piracy platforms: Traffic (Germany, Oct 2014 – Feb 2015)

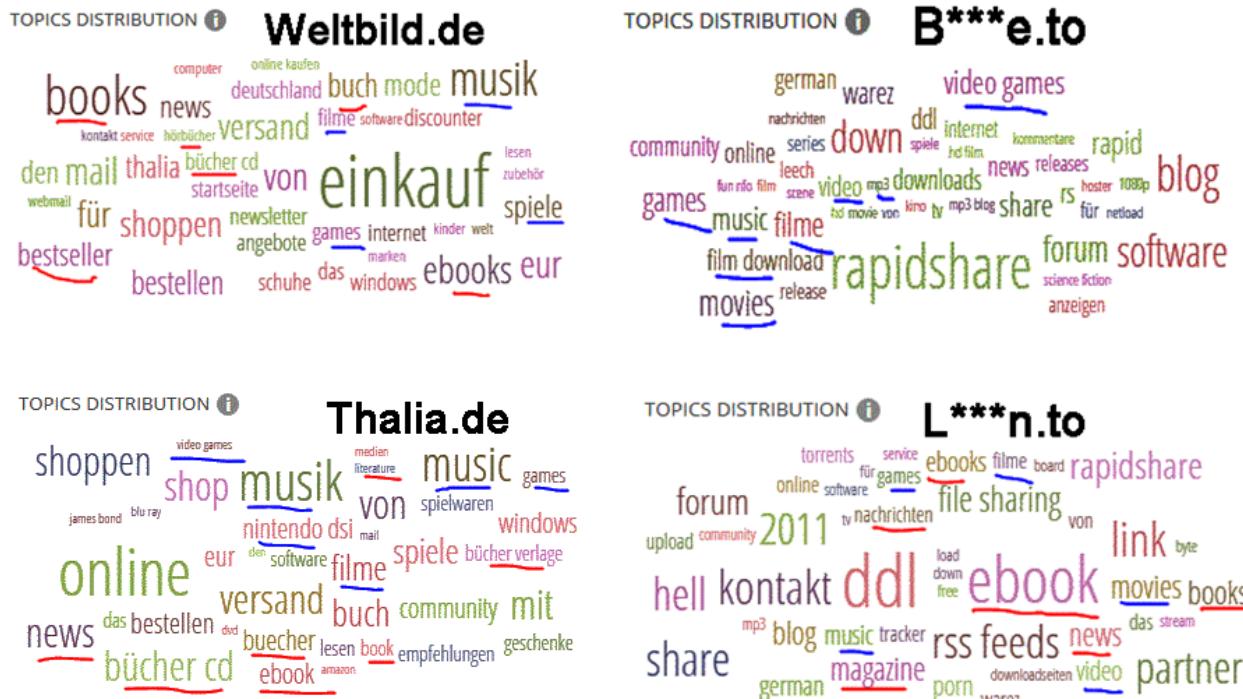


Over the past one and a half years, the graphs highlight for Weltbild and for Thalia the expected curve, with year end, and post Christmas sales being represented as annual peaks, and Weltbild in decline in overall traffic, due to its bankruptcy challenges.

More strikingly, the leading German piracy site, b***e.to, offers a portfolio across all media content and formats, also shows these holiday peaks, yet in a much more forceful growth curve. And it leaves all 'competitors', with the exception of Amazon.de (which is not included in our chart) far behind. And secondly, the other prominent piracy site, I***n.to, which focuses particularly on reading material, has recently succeeded to get close to the overall traffic of Thalia.

User interest is expectedly similar, as word cloud representations of visitors' preferences reveal. Weltbild, as the more mass market platform, gets closer to the across-the-board offer of b***e.to. Thalia and l***n.to a clearly more focused on reading materials (with ebooks always neighboring with 'news' or, notably on the piracy sites, 'magazines' as catch words).

Wordcloud for 2 legal and 2 piracy sites (Germany, year end 2015 - Similarweb)



((Chart 2/legal 2 pirates wordclouds)))

In an analysis of references between platforms, legal chain Thalia is closely connected to other legal online book retailers (yet not to Amazon). However, all the piracy sites clearly outperform their legal competitors when it comes to direct relationships with their users, as on average around 80% of their traffic is "direct", e.g. from bookmarks in their users' browsers, as compared to around 50 % for Thalia and Weltbild. And parameters for users' "engagement", notably average visit duration and bounce rates have b***e.to topping everybody else. Only for the number of visited pages, Thalia is in the lead as its users prefer their website for browsing.

France

In France, a comparative look at three of the most popular piracy sites for ebooks allows to identify remarkably different scopes and approaches. With almost 1 million monthly visits on average, v***s.net (now migrated to v***s.me) has been around for a while, with a continuous high reach of users over at least the past two years, that is on par with comparable platforms in Germany, and similar to their equivalents across the river Rhine in style and all the emphasis of a well curated community.

However, when it comes to user appreciation, as reflected in parameters as visit duration (4:34 minutes),

number of visited pages (less than 5), and a bounce rate of 38%, it is well dwarfed by e***z.com, a certainly more aggressive site, which, in a much more old-fashioned pirate style, displays huge advertisements and no specific emphasis on web design, easy usability or community curation. It is true that average monthly traffic is only one third of v***s.net, but as users stick to it twice as long, and visits of over 10 pages on average, with only 20% bouncing out after just one page visited, this rough style platform seems to have the knack with its users. However, both sites, as well as a third relevant platform specializing in ebooks, r**n-g**t.com, have seen a significant drop in traffic in the past half year.

Both specialize in magazines and books, in French and English, yet with the most prominent (legal) commercial book titles exhibiting only a niche presence.

Still, it seems to be a too simplistic approach to link that modest showing too quickly with the low ebook penetration on the legal French book market.

Instead, the picture changes significantly once that other piracy resources are added. With f***e-t***t.org, a much more forthcoming and well designed linking site offering the full range of media, from movies and TV series to animations and music to ebooks, receives 3 million monthly visits on average, and recently rising again after a relative decline from fall 2014, and with a low bounce rate of around 20%.

At all three quoted sites, direct access, e.g. from a bookmark in a users' browser, indicate at a community of aficionados for whom visits, and downloads have become a routine. Several parameter underline that digital reading, and notably ebooks, have gained significance popularity, and respective heavy traffic, at the cross media channels on f***e-t***t.org. The respective subfolders .../categorie-livres and .../livres are only topped by .../magazines in popularity with users. Preferred topics as much as references to other content sites place the platform in the middle of a normal reader's, and content consumer's average diet.

Unsurprisingly, outgoing advertisement is brought to those websites by a typical mix of major web media agencies, which hardly can have escaped any professional observer of the pirate environment.

In addition, and to complete the landscape, a hugely popular, dedicated French torrent site, t***1.in has been able to position itself as a major hub for any content and format for illegal dissemination. The platform has recently undergone a migration of URL, from a .me to a .in domain, recuperating its user base with an interruption of only a couple of months.

Remarkably, that overall situation corresponds in great detail to the broader pattern of French digital user habits, yet contrast with the low reach for legal ebook channels. As we detail in the country closeup France in this report, the penetration with broadband connections and devices is at Western European standards, and so is the consumption of digital content in general.

Spain

In Spain, a shift seems to have occurred over the past year, as some well established piracy sites have been confronted by two competitors, one old, the other a fairly new entrant, topping them in traffic fairly rapidly.

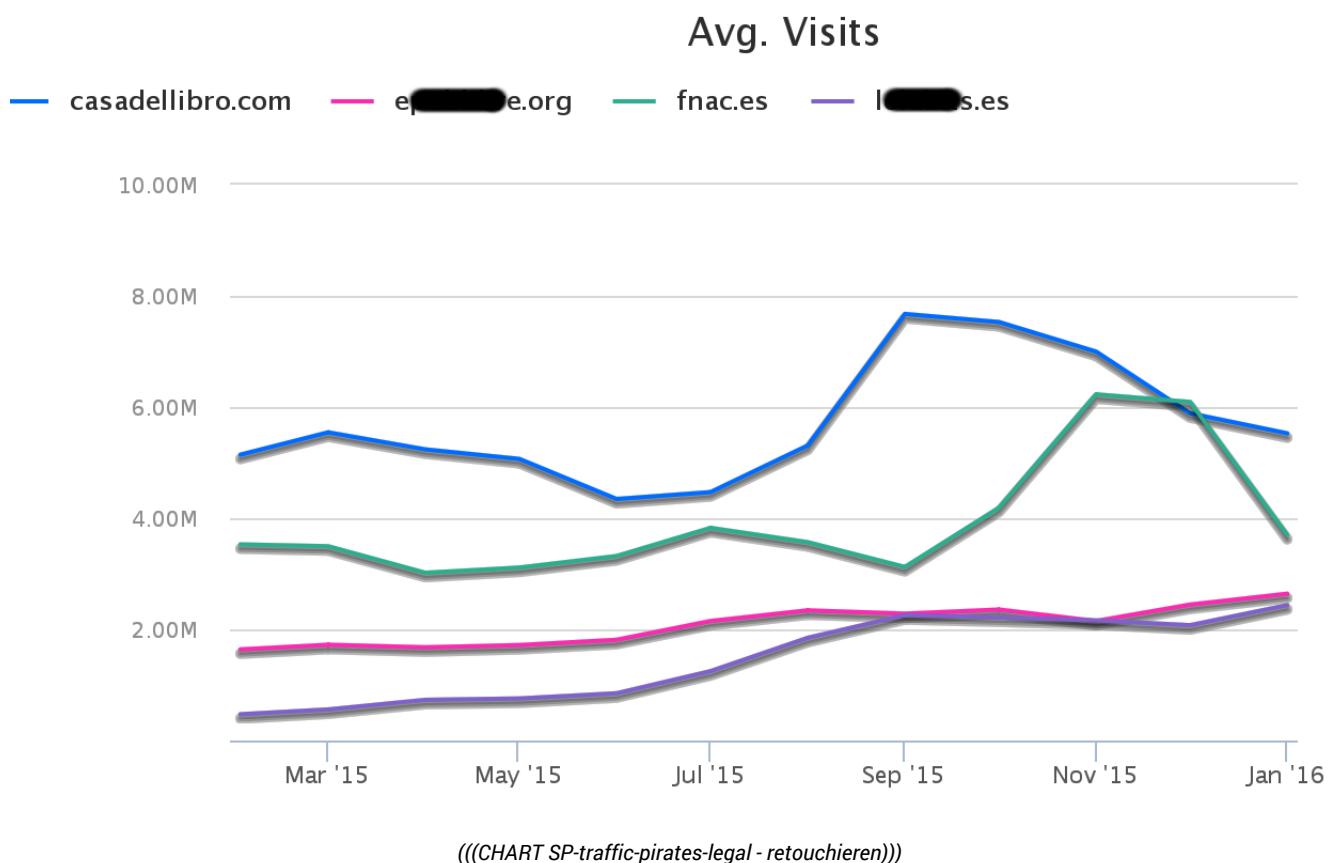
The offer of e***k.com and e***a.org is similar, as both are highly curated and decently designed platforms, with each now including community features such comments, social media tie-ins, with titles being available in multiple formats such as PDF, ePub and mobi. Each could attract over the past two years on average one million visits per month with only very limited fluctuations.

And yet, they apparently were no match in comparison to a significantly growing user base which by fall 2014 had started to opt for two other sites, in a move that started to accelerate significantly in fall 2015, climbing to over 2 million monthly visits by the end of 2015.

One, e***e.org, appears like a freshly revamped and relaunched version of a typical bookish site turned into a

store front, yet with a rather limited catalog of just around 22,000 titles available (as compared to over 100,000 for their left behind competitors). The other, l***s.es, skyrocketing site is a different player altogether, displaying flashy graphics, and introducing a seemingly legal cloud storing service, offering unlimited storage space - and yet, as any search in the openly displayed content reveals, a multimedia environment for downloading copyrighted materials, such as video, games, or ebooks, free of charge.

Some distinctions need to be made for l***s.es, as it sails under a Spanish domain, yet is currently developing a user base well beyond the Hispanic peninsula, into Latin America, including Brazil. While ebooks clearly are not an imminent priority for its users, as compared to movies or TV series (a take down notice was imposed for the recently released Hollywood movie "The Dark World"), the platform increasingly competes with dedicated bookish sites, for instance when search keywords are compared.



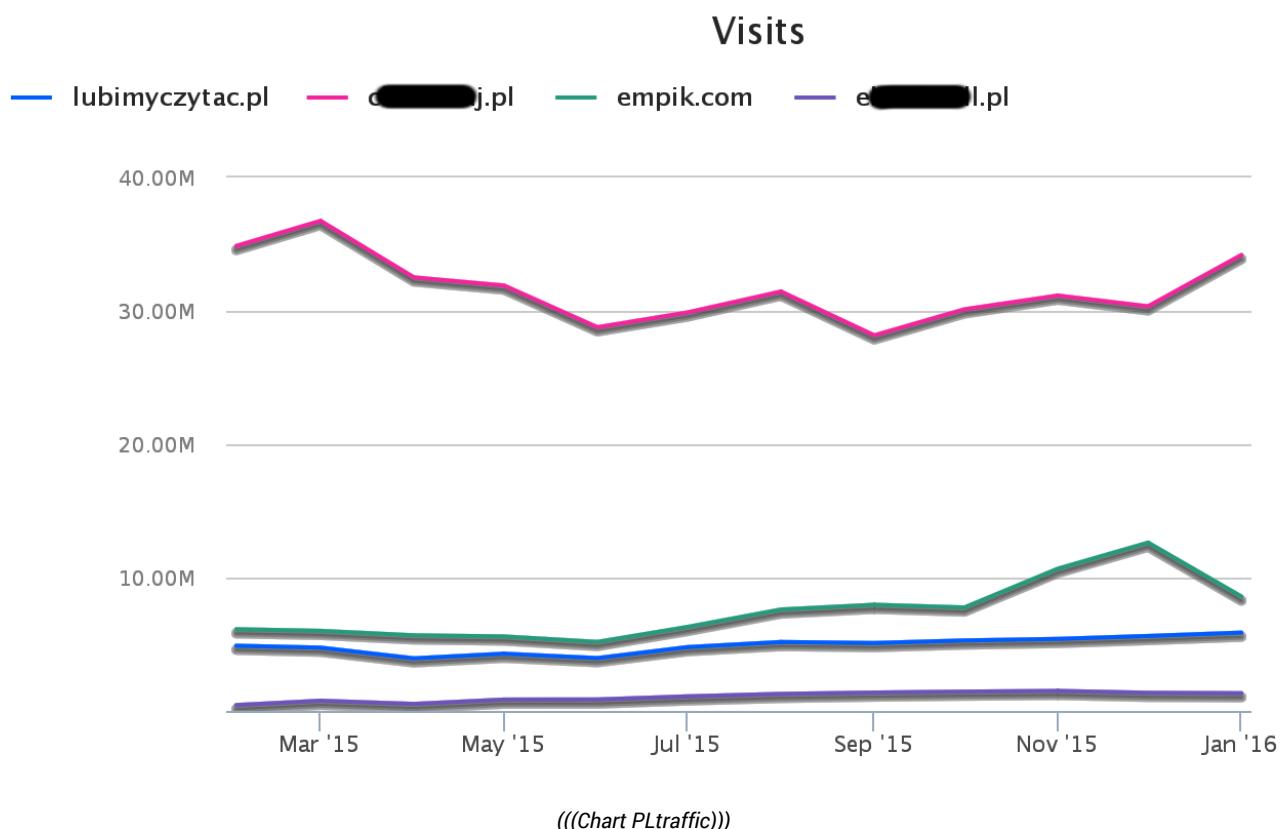
In a direct comparison to legal retailers, Amazon, whose website traffic has risen significantly recently, and by now dwarfs by far all its competitors, legal and illegal alike. But also the other leading legal e-commerce platforms, notably Casa del Libro and Fnac, with with a much broader portfolio than just digital books and media content, has outpaced the performance of the pirate sites distinctively.

In terms of usage patterns and preferences, Amazon and e***e.org, the piracy-site-turned-into-illegal-storefront, show both far better values of user satisfaction, with e***e.org by far outpacing even Amazon in direct traffic. In reverse, all three legal websites, Casa del Libro, Fnac and Amazon (in that order) are stronger in organic search, with Amazon topping paid search even as that traffic generator plays only a very limited role overall.

Remarkably, all Spanish retail platforms, both legal and illegal, have a much higher share of mobile traffic than their equivalents in Germany or France. For the three months December 2015 to February 2016, it was almost 43 % at Amazon.es, 37 % at Casa del libro, almost 40 % at Fnac.es, and 26 % at l***s.es - while in most other European markets, mobile traffic accounts for well less than 20 %.

Poland

In Poland, the most popular platform, c***j.pl, introduces itself with the friendly pet icon of a hamster, as "your friendly drive online", and yet, according to Polish experts, the country's by far leading platform for illegal downloads of various content, including ebooks.



With an average over 30 million visits per month, it has five times the traffic of Germany's top site b***e.to (5.7 m), and dwarfs the Spanish l***s.es. Only the most popular French torrent site t***1.in recently has drawn even heavier traffic than the Polish 'hamster'. Poland's leading online shopping mall empik.com comes in far behind at 7.5 m monthly visit, topping the popular and well organized reading, review and book price comparing community lubimyczytac.pl with around 5 m. A traditional dedicated book pirate like e***l.pl has a comparatively poor showing of just 1 m. However, e***l.pl is top in direct traffic, while the others in this list receive more incoming traffic from organic search, with Google obviously being the most relevant source.

Overall, the two monitored piracy sites perform better than the legal platforms when it comes to users' 'engagement', taking again bounces rates, or visit duration as a measure.

Engagement ⓘ

Domain	Avg. Monthly Visits	Avg. Visit Duration	Pages/Visit	Bounce Rate
 lubimycz... 4,923,088	4,923,088	00:04:11	3.20	57.20%
 c-digital.pl 31,675,900	31,675,900	00:06:47	5.99	33.13%
 empik.com 7,505,553	7,505,553	00:04:11	5.48	43.56%
 ebook-dl.com 1,070,815	1,070,815	00:05:20	5.60	35.14%

((Chart PL engagement)))

In terms of geography, it is worth to directly compare those four otherwise fairly diverse platforms. Each is almost exclusively focused on one linguistic market, and target audience. However wherever exists a significant expat or overseas community, this is also well and directly reflected. German b***e.to for instance has a solid following in Germanic Austria and, to a lesser degree in Switzerland. So has French t***1.in in Belgium. Again, Polish c***j.pl is outstanding, as it is fully recognized and embraced by Polish communities in Germany, the United Kingdom, Belgium, or the United States.

The appalling truth is that when it comes to exports, and to targeting overseas audiences, those piracy services apparently outperform the average legal competitors by far.

Preliminary lessons to be learned

Ebook piracy seems to be driven strongly by local platforms specific for each linguistic market, which in many cases have significantly gained in user convenience. These improved platforms visibly entertain communities from mainstream audiences of well educated, strong readers from the middle class, who broadly overlap with the core constituencies of legal book retail and online reading resources. So they must be understood as a direct competition by the legal actors.

As a direct consequence, a close analysis of those piracy platforms and audiences hold valuable insights into those users which can help legal actors to vastly optimize their own business proposition.

Also, the popularity of the pirate sites, which in many cases translates directly not just in traffic, but also in advertisement income, allows much more efficient anti-piracy activities - by following, and interrupting the money trail from legal media agencies - than isolated legal actions.

Fighting ebook piracy: Exemplary initiatives in Europe

Across Europe, various initiatives to fight ebook piracy can be identified, with several different approaches - and we will look here only into examples which are primarily focus on ebooks - and not the very many other campaigns and debates from organisations busy with intellectual property protection in a broader sense. (More references to those paramount debates have been summarized in the 2014 edition of the [Global eBook](#) report.)

One challenge for the book industry is that the broader debate on copyright and infringements is predominantly driven by the movie and music industry, thereby sidelining issues specific to books and reading.

In many statistical overviews, ebooks are treated as a niche domain, without the acknowledgment of the factors specifically affecting this segment. For instance, due to the small file sizes of ebooks in comparison to audio MP3 files or digital video, peer-to-peer (or torrent) sites play an insignificant role in the distribution of illegal ebooks, compared to file sharing and one-click-hosting (OCH) sites.

In addition, ebooks are traded in different ways, sometimes in bulk, with packages that contain much more titles than anyone can reasonably consume, and on other platforms instead in nicely curated libraries, with user ratings and community forums, for an audiences that must be close to the traditional, middle class urban book reading audiences.

However, even for relatively well-documented markets such as Germany or France, for a number of reasons, no widely accepted consensus has emerged as to the scope and real impact of piracy with regard to the emerging legal commercial ebook market, or for the best practices to act against offerings of illegally digitized content.

Two types of approaches can be identified:

- One is to go after the users of illegal content, notably with police raids, as robust deterrents - this is thus far the preferred strategy chosen for instance by the big publishing groups in Germany (see for instance [Lesen.net](#), 11 Dec 2014)
- The alternative approach has been spearheaded by the [British Publishers' Association \(PA\)](#) with their [Copyright Infringement Portal](#), which includes a fairly complex and nuanced set up aiming not at the consumer, but the organizers of the illegal offer.

In this report, we have a clear preference for the second approach, as it seems more reasonable - to go after the profiteers, and not the consumers -, and also more effective, from the information which we could gather.

The Copyright Infringement Portal has at its core a dedicated web service for the members of the PA, who contribute by paying a fee for the service, that notably crawls the Web on a regular basis to track titles that have been listed by the service's customers. Whenever a title is identified as being offered for download without the authorization of the rights holder, a take-down notice is sent to the webmaster of the concerned site. To both increase the impact of the service and promote its effectiveness, the CIP displays on its home page detailed statistics about its crawling activities, the effective number of titles that have been cleared successfully, and the illegal hosting sites with the best and the worst track records of compliance.

In a brochure issued by the PA in 2013, a good year after its launch, take-down rates were documented by country, with compliance rates of over 90% for territories and countries such as Hong Kong, Gibraltar, and Cyprus and significant levels for countries such as Russia (71.69%), China (65.75%), and Ukraine (60.69%).

In 2013, the French publishers association, Syndicat National de l'Édition (SNE) decided to license and adapt the UK infringement portal for their [French members](#). ([Actualité](#), 5 Aug 2013)

In further expansions, the PA engaged in a close cooperation with a police unit of the City of London, specializing in Intellectual property infringements, to systematically go after the entire value chain behind the - commercial - infringements, to build massive pressure for a compliance with the legal actions. This includes to approach, among others, those perfectly legal organizations who would put their client's advertisements onto well known piracy sites.

The individual elements used for the PA's model are per se hardly original. Notably the automated tracking and sending out of "take down" notices is clearly a standard procedure, and offered similarly by a number of private companies. But the coordinated action, which pro-actively involves rights holders such as publishers in the entire process has the very welcome side effect of a good learning curve, urging everybody to better understand piracy as the fairly complex phenomenon that it has always been.

However, also straight forward legal prosecution has seen multiple, often highly activities with ample media

coverage. Most prominently the Swedish Pirate Bay has been targeted once again ([FAZ](#), 10 Dec 2014). In Spain two men were sentenced to 6 years of jail for operating a download portal ([gulli.com](#), 9 Mar 2015). In Germany, the largest publishing groups are seen to be behind the closure of Spiegelbest, who not just organized a website of free downloads, but also enjoyed to give media interviews ridiculing traditional publishers for years ([buchreport](#), 11 Dec 2014)

Piracy of media content in a historical perspective

The real question might be how to get beyond an ongoing [Catch 22](#) kind of situation which, in the long run, can only harm both the legal offer and its diversity, and persist at the expense of the legitimate authors and other rights holders.

Throughout media history, the emergence and penetration of markets by new media have been intimately intertwined with the advent of piracy and challenges to the current business practices of those in control of the respective old media.

Providing an example from the early days of the movie industry, a recent, highly authoritative study says bluntly, "Piracy was, we have seen, absolutely central to the birth of the film industry." (Peter Decherney: Hollywood's Copyright Wars: From Edison to the Internet. Columbia University Press 2012)

In fact, piracy and the subsequent legal battles were instrumental in the formation of the movie industry. The studios that dominated the new-born industry for decades after the outcome of those legal battles owed their strong position in large part to those early innovators and explorers of the new technology of film who, in the end, had been labelled as pirates.

The historical reference is not making a point in favor of a naive or belittling perspective on today's copyright infringement in the emerging ebook segment. Quite on the contrary. But we argue for a better understanding of an - as said - highly dynamic piracy situation which can only be effectively dealt with in a smart response, which requires a full understanding of what is at stake, and what is going on in the public arena.

Self-publishing

In 2013, "self-published authors (when viewed as one single publisher) had more best-sellers than any other single publishing house." (Blog post by Jeremy Greenfield, [Digital Book World](#), 5 Mar 2014)

The total US self-publishing market has been estimated, in the follow up to the Hugh Howey controversy (see case study here below at the end of this chapter), at around "\$ 180 million or so" by Michael Cader, or 11% in value of the total ebook market, referring and extrapolating from the few available relevant data sets, notably from the US self-publishing platform [Smashword](#). (Michael Cader: [The Discussion over Author Earnings](#), see also a [blog](#) entry by Smashword founder Mark Coker.)

Altogether, the market research organization has identified over 391,000 self-published titles in the US in 2012, up 59 from 2011, with ebooks accounting for 40% of the self-published ISBNs. ([Mediabistro](#), 13 Nov 2013). In 2013, this number increased to 458,564 (up 17%), with clear indicators of the segment to "maturing", according to [Bowker](#). (8 Oct 2014)

The self-publishing platform Smashword had added some 25,000 authors in 2013 alone, with a total title count of 276,100, up from 190,600 in 2012. Amazon said to have added more than 200,000 exclusive books to the Kindle store in 2013. ([Publishers Weekly](#), 2 Jan 2014)

In the UK, some 12% of all ebook sales were coming from selfpublished titles in 2012, according to Bowker Market Research, with a share of up to 20% in some areas such as crime, science fiction, fantasy or romance, which is largely consistent with the estimate for the US market. ([The Bookseller](#), 7 Jun 2013)

For Germany, the self-publishing help-site [Selfpublisherbibel](#) released findings from a survey based on 800 questionnaires, including that one out of four self-published authors had released just one book, 30% have released between 3 to 5 titles. Of the 91% who release their works as ebooks, one third is using the services of a distributor, one third going to the shops directly, and one third doing both. More than half record monthly earnings of less than €50, while 4% said to earn more than €2,000. 29% of the respondents price their ebooks at €3 or less, while another 24% charge more than €5.

According to the same survey, Amazon has a market share of 64% among authors who upload their ebooks directly to a sales platform, followed by Kobo (10%), Beam (9%), and Google (7%).

In France, self-publishing has spread in recent years, offering an attractive alternative to traditional publishing houses, with realistic chances for a successful publication, according to a survey among over 6000 selfpublished authors. (Edilivre, quoted in [Livres Hebdo](#), 1 October 2013). In 2013, the top 5 bestselling titles for the year in France have been selfpublished books, controbuting "significant" revenues, according to Marie-Pierre Sangouard, director of Kindle content in France. (Quoted by [Livres Hebdo](#), 22 Mar 2014)

In the Netherlands, several of the largest players in the book market have joined forces in the launch of a new dedicated self-publishing platform, [Bravenewbooks](#), namely Singel Uitgevers, a division of the [WPG](#) publishing group, the leading online retailer [Bol.com](#), and the selfpublishing portal [Mijnbestseller](#).

In a growing number of markets, "self-publishing has become mainstream", as Jörg Dörnemann from the German self-publishing platform [epubli](#), of the Holtzbrinck group, has put it. ([buchreport](#), 13 Mar 2014)

Following this trend, a growing number of traditional publishing houses across continental Europe have launched their own self-publishing services of various kinds and profiles, like Holtzbrinck's [neobooks](#), RCS in

Italy, which addressed authors with writing competitions for genre fiction (Marcello Vena in a blog post at [Futureboo](#) in October 2013), or the German traditional publisher Oetinger with [Oetinger34](#), a mix of self-publishing platform, writing competitions, and classical editorial services, all focusing on authors of childrens' and young adult books.

But also US self-publishing services aim at the international markets, such as Smashwords, or, since March 2014, Barnes & Noble with its Nook Press self-publishing platform, which has been made available for the UK; France, Germany, Spain, the Netherlands and Belgium. (Press release, 18 March 2014).

Case study author earnings

In February 2014, bestselling author Hugh Howey triggered a controversial debate as he published an *Author Earnings* report based on data compiled from crawling various ebook bestseller charts (mainly in the genre fiction categories) on Amazon.com, plus earnings data shared by other authors, concluding, among other statements, that "indie authors are outselling the Big Five" (as "indie" representing independent self published authors, versus the "Big Five" largest US Trade publishers, which are Penguin Random House, Hachette Book Group, Harper Collins, Simon & Schuster, and Macmillan): "Indie and small-press books account for half of the e-book sales in the most popular and bestselling genres on Amazon" (which include, as genres, Mystery/Thriller, Science Fiction/Fantasy and Romance). Howey continues arguing that because titles from the Big Five publishers are priced higher than selfpublished titles on average, yet less well rated by readers, while owning a larger share in top bestselling positions in the Amazon ebook charts, so that in the end, selfpublished authors have an advantage by earning more than those published in traditional ways. (Hugh Howey: [The Report](#). Published online on 12 February 2014)

Howey's report triggered a highly controversial debate, as a number of voices fundamentally challenged his approach and methodology, including publishing consultant [Mike Shatzkin](#), data mining expert [Dana Beth Weinberg](#), and the editor of Publishers' Lunch, Michael Cader, who also [summarized](#) the debate in his newsletter, in two parts).

Aside from Howey's bold and provocative statements ("The experts? They have no idea."), the controversy highlighted at what point self-publishing had grown a self-esteem, namely among its star authors, and a prominence in public opinion (not the least from its promotion by notably Amazon and its set of services to authors) that was now ready to challenge even the largest representatives of the *old players*, namely the five largest trade publishers and their prestigious history.

The debate also highlighted the lack of reliable data (as neither Amazon nor Barnes & Noble would reveal any detailed sales information) on a segment of the industry which, undoubtedly, has grown dramatically within just a few years, and had largely contributed to radically review and also change the established value chain and role models of the sector.

Subscription platforms

In September 2015, the New York based start up Oyster announced in a simple blog post that it would wind down operations "over the next several months". ([Blog post](#); report in [Publishers Lunch](#), 21 Sep 2015)

This event brought much of the hype that subscription services had seen in 2014 to an abrupt end.

Some like Hachette's CEO Arnaud Nourry had declared flat rate services as a "flawed idea" altogether from the very beginning (see below for details). As the admission of failure coincided with the broader slump in ebook sales, notably in the US, some predicted an end of "ebook panic", as The New York Times had it in a front page article. ([NYT](#), 23 Sep 2015)

Other saw only an end to "chapter one of subscription models". (Mofibo's Nathan Hull, in a summary on the debate, [The Bookseller](#), 23 Sep 2015) Digital consultant and strategist provided yet a more fundamental lesson to be drawn from the wreckage, namely that "book publishing - *and* book retailing - are no longer standalone businesses", adding: "Publishing and bookselling are [functions](#), and they can be quite complementary to other businesses." (Blog [post](#), 23 Sep 2015)

In that sense, it probably is reasonable to expect more than one alternative model to emerge, or expand from the already existing offer, that is bundling books, and perhaps other reading matter (e.g. magazine, news), together with context (social reading features, community contexts, such as proposed in multiple learning platforms already), and put a renewable price tag to it for broad reading audiences (such as in Amazon's Prime bundle of services, or Amazon's reading community [Goodreads](#), which recently [celebrated](#) the publication of the 50 millionth user book review on its platform), or much more narrow cast groups of like minded (as on O'Reilly's Safari platform), or those that numerous collaborative learning environments have established.

In order to keep the debate open, at least for the moment, the initial chapter on subscription platforms, covering mostly the perspectives of 2014, is reproduced again in the following.

Flat rate launches and enthusiasm in 2014

In 2014, the emergence of subscription based, or *flat rate*, services to readers were among the most attentively tracked, and controversially debated topics in digital consumer publishing. This sudden interest had been triggered by reports at first on the quick expansion of New York based startup company [Oyster Books](#), the transformation of [Scribd](#), from a platform disputed to offering materials with not always clear copyright clearance, into a global hub claiming a user base of 80 million, as well as a host of similar services in many other countries, like [Nubico](#) in Spain, [Skoobe](#) in Germany, [24Symbols](#) in several Spanish language markets, or [Mofibo](#) in Denmark and Sweden.

The debate was further accelerated by the launch of Kindle Unlimited, by Amazon.com, at first in spring 2014 only for access in the US, but then open to British readers in early fall, and with additional markets, including Germany, opened by the end of 2014.

Many observers saw in the introduction of a subscription model for books, as opposed to buying one book at a time, at a set price, to challenge the basic business model of the book industry for over 200 years. Questions raised included the returns from such subscriptions, to both publishers and authors, and the dynamics of power between publishers on the one side, and reading platforms, and here especially Amazon, on the other.

In France, Arnaud Nourry, the CEO of Hachette, called subscription services a "flawed idea": "Offering subscriptions at a monthly fee that is lower than the price of one book is absurd", he said. (Interview by Livres Hebdo, reproduced in [The Bookseller](#), 2 Apr 2015) Meanwhile, a service of unlimited choice of books from multiple publishers at a flat fee has been declared to conflict with French legislation on a fixed retail price for

books.

Obviously, the roll out of subscription based reading services occurs in the much wider context of the emergence of an overall *Subscription Economy*, as documented in a report by [The Economist](#), showing from an international survey that more than half of the queried companies "are integrating new pricing and delivery models such as subscriptions, sharing and rental goods and services, rather than selling products outright."

"In the 21st century, changing consumption habits are changing the global business landscape, perhaps forever. There is a massive shift underway in the way we—as both consumers and businesses—are looking to consume goods and services. In particular, we now value the convenience and flexibility of subscribing to services rather than buying products outright." (The Subscription Economy, in The Economist, 5 November 2013)

Interestingly, all the subscription platforms for books and reading have in common to highlight, on the entry page of their websites, the reader, and the new reading experience, and not, as in any traditional book shop, both brick and mortar, and digital, the individual book. So it is only reasonable to have a first glance at selected online reading platforms, before then portraying the subscription hubs.

Online reading communities

Online reading communities dedicated to ebooks and inviting readers to engage in various forms, while allowing publishers to target audiences in the digital universe are around for some time.

[Goodreads](#), launched by Otis Chandler in January 2007, and acquired by Amazon in March 2013, is clearly the biggest location in cyberspace for readers to exchange views, reviewing books, and making, or breaking, the career of authors and their works. By early 2014, Goodreads claims to have 25 million members, who have added 750 million books and contributed 29 million reviews. Amazon also owns [Shelfari](#), and controls a stake in [LibraryThing](#).

Even one year earlier, in 2006, the Holtzbrinck publishing group had started a similar reading community in Germany, [Lovelybooks](#).

Also, a growing number of leading publishing houses have launched readers' portals and community websites, either along the company brand, or along genres (like crime, or fantasy, or romance), aiming at closing the gap between their editorial offer, and the readers. But these initiatives, important, and challenging to handle, as they might be for publishers in their attempt to reach out directly to their customers, do not touch on the traditional business model of the book industry.

In 2013, a new shortcut had popped up, as analysts asked whether a Spotify or Netflix type of model might be applicable to books, and not just to listening to music or watching TV programs on demand.

The idea of combining a community of readers with a subscription (or lending, or streaming) service for books opened an entirely new dimension, as the approach combines two aspects of strategic, or even disruptive potential:

- To organize the complete value chain, or ecosystem, of author, books and reading from the reader's angle - and not from that of the author or the distributor, and by doing so,
- To produce massive amounts of data about readers' usage of the books, and their discussions and

exchanges around those activities. And to replace the old business model by a subscription, through an *all you can read flat rate*.

The *E-Books Are Reading You*, ran a headline in the *New York Times*, published on Christmas day 2013, introducing several US based start-ups that had engaged in a race for what was seen as possibly the next new thing in ebooks and digital book distribution. ("As New Services Track Habits, the E-Books Are Reading You." [The New York Times](#), 24 Dec 2013) Similar initiatives have sprung up simultaneously in a number of countries.

Overview on leading international subscription based reading platforms

In the US, the New York based company Oyster was offering "unlimited access" to a catalog of over 500,000 books (by fall 2014), "for \$9.95 a month, with new titles added all the time" ([company statement](#)), after raising \$14 million in investment capital. ([Publishers Weekly](#), 14 Jan 2014) Oyster [shut down](#) services in September 2015.

[Entile](#), initially branded as eReatah, of North Carolina, tries out a different approach, which is closer to a traditional book club.

In Germany, [Readify](#) has started a beta launch in February 2014, after raising half a million euros in a [crowd funding campaign](#), which included 1363 users who agreed to contribute €5 each. The service will cater only to smartphones and tablets, not to eInk devices.

[Youboox](#), in France, has started in 2012, with a catalogue of 7,000 titles, including graphic novels (or *bandes dessinées*) at €9.95 per month.

Not all platforms that are busying readers and analysts by connecting readers and books, while harvesting data, are necessarily new companies.

With Bertelsmann and Holtzbrinck, the two largest publishing groups in Germany have joined forces in a joint venture to launch an online lending and subscription platform in spring 2012, branded [Skooke](#), offering some 120,000 titles at a monthly subscription fee between €9.99 and €19.99, depending on the scope of the access.

[Scribd](#) is a service which had allowed users to upload documents of various length and size since 2007 already, building a user base of 80 million monthly readers. Recently, Scribd has switched its branding to defining the platform as a "personal digital library, where you have unlimited access to the world's largest collection of e-books and written works", offering not just user generated content, but also "over 500,000 books from over 900 publishers, including New York Times bestsellers, literary classics, groundbreaking non-fiction, and reader favorites in every genre" to premium subscribers.

Before re-positioning itself in that way, Scribd had been critically viewed by anti-piracy activists due to a not always clear policy with regard to copyright in the content uploaded by user. Today, Scribd affirms that it does "not tolerate copyright infringement".

Remarkably, two ventures with an entirely different clout and backing have formed in Spain, branded 24symbols and Nubico respectively. Both ventures are combining content with the network capacity and customer base of telecommunications giants.

[24symbols](#), with a 160,000 strong title catalog in Spanish, English, Italian and French, and claiming 500,000 readers worldwide, focuses on the reading experiences, by stating: "Read whatever you want, wherever you want, and however you want."

At the core stands the service's cooperation agreements with international telecommunications companies,

and with [Zed](#), a provider of mobile digital content and entertainment, with huge expertise in exploiting digital user data. Founded in 1996 in Spain, and operating in 60 countries worldwide, including Europe, India and China, Zed has acquired a [32% stake](#) of 24Symbols in May 2013.

24symbols has launched its services so far in Russia, through a cooperation with [Beeline](#), the country's largest telephone operator, and in Guatemala, with Tigo, a brand of [Millicom International Cellular](#), a Swedish American venture, founded in 1990, which is offering various digital and telecommunications services in 15 developing countries in Latin America, Africa and Asia.

[Nubico](#), started in September 2013, is co-owned by Spanish [Circulo de Lectores](#) , - a 50:50 joint venture between Germany's media giant Bertelsmann and the largest Spanish trade publishing company [Planeta](#) -, together with the huge telecommunications company [Telefonica](#).

With a so far limited catalog of 5,100 titles (from initially 3,000), Nubico is offering a subscription at €5.99 (down from €8.99 at launch), and aims at owning 30% of the Spanish ebook market by 2015, which can be achieved only by expanding successfully into major Latin American markets, notably Mexico, Colombia, Chile, Peru and Argentina.

[Bookmate](#), started in 2010 in Russia by [Dream Industries](#), offers a 500,000 strong title catalog, with 250,000 ebooks in Russian, and 200,000 in English, at 150 Rubles (or \$4) per month, with half a million users in Russia, and additional significant Russian reading customers in the Ukraine, Belarus and Kazakhstan. In late 2014, Bookmate prepares for a launch in Singapore and Sweden, and in 2015 in Colombia, Argentina and Mexico.

Bookmate's unique claim is to have created an environment in "emerging post piracy markets". In countries extremely hit by digital piracy, the selling proposition is that users are "ready to pay not for the content, but for the experience built around the content they like". (Company brochure)

Bookmate's parent company Dream Industries could raise \$3 million of investment in February 2014. ([Techcrunch](#), 23 May 2014), and has a sister platform for streaming music, branded [Zvoog](#).

In Denmark, [Mofibo](#) is rapidly expanding recently, after opening services also in Sweden and with plans for more territories to be added. Started by [Morton Strange](#) at age 26, who already before, at age 19, had started a mobile operator, Onefone, which he could sell for €31 million in 2013.

Mofibo has a catalog of 10,000 Danish titles, 4,000 in Swedish and 14,000 in English, with the five biggest domestic publishers on board (Gyldendal, Lindhardt & Ringhof, JP/Politikens Forlag, Modtryk, Artpeople).

Obviously, Amazon's Prime service needs also be looked at in the context of subscription services. Priced at an annual fee of \$99 (up from initially \$79) in the US, and recently launched in several international markets, including Germany (at €49), the offer bundles content of various type, notably streaming video and lending of ebooks, yet of a limited, managed catalog of titles only, plus premium delivery of physical purchases.

In July 2014, Amazon gave the subscription debate an entirely new momentum, when it announced its Kindle Unlimited offer, even as it was unclear at the launch, to what extend a broad catalog of titles from the Big Five publishing groups might be included any time soon.

The differences between the various approaches are significant on several levels, but also do they share some key similarities in their strategic choices:

- The ventures include typical startups (Oyster), joint ventures of players from traditional publishing (Skoobe) as well as novel consortia of content with communication networks (24symbols, Nubico).
- The catalogues offered to subscribers are partly curated selections of ebooks (Skoobe, Nubico), huge libraries with a lot of self-published literature next to bestsellers (Scribd), or even cross-media packages, merging ebooks with movies or any content that is available in digital formats through mobile networks

(24Symbols, Amazon Prime).

- Fees are typically low, at around \$10 or €10 per month, or even less, making it obviously challenging for publishers (and even more so, authors) to earn revenues at similar levels as in print, which has spurned controversy already, for music, at the remuneration model of Spotify.

Together, all these new platforms have also strong common characteristics and goals:

- They aim at owning a new, premium channel to customers (be they readers, or users of any type of digital mobile content), as well as all the valuable information about these customers.
- If any of these platforms will succeed, they will be in a similar ambivalent relationship with traditional publishers, as Amazon is today, as they have the potential to become a key sales conduit for the publishers on the one hand, while aggressively competing with the publishers through their ownership of the end user, and their influence on pricing and revenues.

The development is, in our understanding, too novel for any real assessment of its future impact. But its potential to re-define some key element along the value chain of books and reading, from the business model to the relationship with the customer, is huge.

Or, why is this so? As Rich Bells in a comment in the *Digital Book World* blog has argued: "Because the most crucial questions for how – and how dramatically – ebook subscription services will reshape the industry are ones that no report can answer: Just how many authors and publishers will jump on? How deep will their participation be? And, ultimately, will readers buy?" (DBW [blog](#), 22 Jul 2014; for a summary of the US debate, see Porter Anderson in the FutureBook [blog](#), 22 Jul 2014.)

How digitalization created a licensing opportunity. Contributed article by Copyright Clearance Center

By Tom Chalmers, [IPR License](#)

Since digitalization hit the book industry, the majority of focus has been on the ebook. First it was feared, then it took off to be feared more and also a little loved, and then there was talk of an 'ebook plateau', which generated fear and also a little love from those not a fan of the ebook.

What is clear is that the two forms of the book – print and digital – are here to stay and in an increasingly boutique market will live and be treated in separate ways by publishers going forward. But while the ebook has grabbed the headlines, digitalization has had a major effect on other parts of the industry.

Despite being labeled 'subsidiary', licensing has long been key revenue for publishers – The Publishers Association last estimated licensing to be worth between £4-8bn globally. Furthermore as print and digital sales and come under pressure, the straight to the bottom line licensing revenues have become even more important to publishers.

Digitalisation has aided licensing in two important steps. The first was the opening of international markets – we can now sit at our desks and communicate with countries across the globe in a way that simply wasn't possible pre-internet. While connection and availability shouldn't be confused with actual business, this huge change has opened up many new opportunities for businesses that simply didn't exist before.

The second stage was publishers beginning to handle their data in a sophisticated digital manner. This has taken some time and is still ongoing – all important data is still dumped too often on the least experienced staff members rather than expert specialists – but now terms like 'metadata' are part of publishers' everyday processes.

Initially, this was seen as a route to sell ebooks but now the value of data is being fully realized publishers are using it in numerous innovative ways to generate revenue, one of which is licensing and which has led over the last few years in the growth of the licensing platform.

Licensing is still a personal sell and contacts are key, but where licensing platforms provide value is that they can automatically connect publishers with similar interests, so widening the network, while providing an efficient, catch-all solution to help complete and keep track of completed deals.

As it is now possible to reach customers in Aberystwyth to Azerbaijan, new platforms are allowing business to be found and completed there too. So while the ebook will continue to grab the headlines, publishers are benefitting from digitalization throughout their business and in no place is that more evident than through licensing.



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DRM: Protected vs. free

Hard DRM must go!

Heinrich Riethmüller, president of Börsenverein, the German Association of Publishers and Booksellers, 26 Jan 2015.

In a surprising move, the German Publishers' and Booksellers' Association, Börsenverein, announced a turn around of its policy with regard to copyright protection of ebooks in January 2015, by declaring that "hard DRM was an enormous hurdle, playing directly to the advantage of Amazon and Apple." ([Börsenblatt](#), 26 Jan 2015)

The move was echoed notably by independent German booksellers who considered the technical complexities as a massive barrier of entry for retail in competing with the global platforms. The effort needed for book shops to train users in handling DRM on their purchases was seen as significant extra cost. An online questionnaire issued by [buchreport](#) with 238 returns had 83% of the votes opposing hard DRM, and 64% wanted to claim compensation from publishing for the required extra work.

In Germany, several major publishers, including Bastei Lübbe, C. Hanser, and Gmeiner, abandoned hard DRM, and use watermarking for their ebooks instead. When in September 2014, ebooks from Random House Germany became available without hard copy protection, observers at first thought of a change of strategy at Germany's largest trade publisher, but were told that the surprise had been caused by a technical glitch. ([buchreport](#), 2 Sep 2014)

In the US, HarperCollins has been reported to replace Adobe DRM by an invisible watermark technology developed by Digimark. ([The Bookseller](#), 16 Sep 2014)

Amazon meanwhile was reported to have re-enforced their proprietary hard DRM in a firmware update in March 2015. (Ebook Reader [blog](#), 17 Mar 2015)

Adobe had announced a new version of its DRM by summer 2014, branded Digital Editions 4. When the software was shipped to users, it turned out that in fact Adobe "uploads data after a DRMed ebook has been activated." This information included the user ID, App ID, IP address, metadata of the respective ebook, date of purchase, duration of reading session and progress in reading. ([Digital Reader](#), 23 Oct 2014; [buchreport](#), 9 Oct 2014)

Meanwhile, in several countries and regions, ebooks with hard copy protection are seen rather as the exception, than the general model. This includes all of Scandinavia, and notably Sweden, where Bonnier's ebook distributor [eLib](#), has 80% of its content watermarked as an alternative to DRM, which equals 98% of all of the company's ebook sales (communication by eLib for this report).

But also in Italy, where Adobe's DRM solution had been initially prevalent, *social DRM* (digital watermarking) had increased from a modest 15% of all ebooks in 2010 to 42.4% in 2012, clearly overtaking the largely unchanged one third of ebooks carrying hard DRM. ([Giornale della libreria](#), 9 March 2012)

The most widely publicized DRM-free publishing project was certainly the launch of [Pottermore](#) in March 2012, introducing the Harry Potter series by J.K. Rowling as ebooks. For all downloads, DRM will only be applied if the books are pushed through a Kindle or NOOK reading device or a lending system such as Overdrive. But readers can also download a DRM-free EPUB copy, which only carries a watermark allowing the publisher to track back a book to its source. (For a detailed discussion, see the summary by Philip Jones: [Pottermore finally delivers: Harry Potter e-books land](#).) An assessment of sales a good month after the introduction of the platform documents the initiatives's commercial success, with sales worth three million Pound Sterling in the first four

weeks, coinciding with increasing print book sales. (Summary in [buchreport](#), 9 May 2012)

Across various markets, a number of traditional and newly founded publishing houses have started to roll out parts of their title list, or even an entire catalog, without DRM.

In the US, the popular imprints Tor, Forge, Orb, Starscape, and Tor Teen, all belonging to the German Holtzbrinck group's Macmillan US, renounced DRM in mid 2012. ("Tor US abandons DRM", [The Bookseller](#), Apr 25, 2012)

In France, the independent literary publisher Editions Michel Lafont started to release some of its top bestselling titles without DRM, opting instead for a digital watermark. This move includes the novel Métronome by Lorànt Deutsch, which sold over 800,000 copies in print. ([buchreport](#), 3 Jul 2012)

A similar policy has been introduced by Fleurus Editions, which is part of the French group Média Participations. With a catalog of some 1,200 ebook titles, the publishers started to conduct various experiments with its digital portfolio, from competitive pricing to selling by chapter to offering packages including both print and digital versions of a title. But the real catchphrase for the company's digital strategy clearly is "No DRM". (Interview with Anne Delilliac et Julien Gracia of Fleurus, [Idboox](#), 3 Jul 2012)

In Spain, the renowned Barcelona-based literary publisher EdicionesB launched a digital-only sub-company, [B de Books](#), as early as November 2011, with some 250 new titles per year, all without DRM.

In the Netherlands, the largest Dutch trade publisher, De Arbeiderspers/ A W Bruna, declared in January 2013 that it would abandon DRM for all ebooks in its catalog of about 1,200 titles. (see this [blogpost](#), by publisher Timo Boezeman)

Also the self-publishing portal [Lulu](#), gave up on DRM in January 2013.

By May 2013, Bill McCoy, the executive director of the *International Digital Publishing Forum*, IDPF, even listed among what are in his view *Seven Deadly Myths of Digital Publishing* as Myth 5: *DRM Is About Reducing Piracy*, arguing that there was a "growing realization that DRM has nothing to do with reducing piracy is that lighter-weight forms of DRM—including watermarking and other 'social' approaches that don't technologically bar sharing—are more attractive than a quixotic arms race to deploy more and more sophisticated technologies that will only frustrate consumers and lead to them being locked in to proprietary platforms." (Quoted in [Publishers Weekly](#), 29 May 2013)

Outlook

Ebooks have found their audience in numerous markets, yet always strongly privileging certain genres of fiction, while print resisted in most of non-fiction. At first a market segment defined by the largest publishing corporations, and some mid-sized houses with special emphasis on the new formats, reading on a screen has more recently seen self-published authors gaining ground.

These newest developments have been driven notably by large platforms, particularly Amazon, but also others like the tolino alliance.

While publishers worked hard on linking ebook prices to print editions, overall competition on pricing has mounted significantly, even in price regulated markets.

In Asia, and specifically in China, reading on screens has not only become a hugely popular pastime, particularly among young readers, on their smartphones. Those new habits, all centered around mobile access, have triggered new value chains, as written stories have opened up new, and quickly expanding modes of content creation and exploitation, which is now branching out into games, video, and movies.

For publishers, all this transformation comes as a mixed bag of opportunities, as well as challenges, as they need to manage an ever more complex value chain, which includes new formats and new channels, direct to consumer business alongside the traditional networks of distribution.

The investment required to meeting such challenges, confronts smaller actors with high risk, that larger corporations can handle more easily. Also new entrants came onto the field, both as start-ups and with all the internet giants who may have no particular focus on content creation, but take over more and more of their users' communication and social interaction.

As a consequence, it comes as no surprise that publishers aim, in manifold debates about copyright legislation, or competition law, to defend, and protect their established turf.

The biggest challenge though is probably to assure that their audiences continue to spend a fair amount of both their professional and their leisure time reading books. Whether those books are printed on paper, or displayed on screens, makes little difference indeed.

Part 6: eBook Yellow Pages

eBook Yellow Pages

The eBook Yellow Pages highlight and organize professional references to relevant companies and organizations involved in the context of the evolving ebook markets.

The eBook Yellow Pages point to companies according to categories such as:

- ebook publishers
- Aggregators, distributors and other service providers
- Educational organisations
- Online reading platforms

Companies are listed also in alphabetical order in the *index* at the end of this report. Companies are encouraged to further highlight their profile and offer by advertising in the eBook Yellow Pages.

For details, see at the end of this section and at www.global-ebook.com. We cannot guarantee any completeness of these listings, but welcome feedback and nominations of relevant initiatives at ebookYP@wischenbart.com.

Ebook publishers

Publishing houses and imprints dedicated to ebooks

[40k](#) is an Italian ebook publishing venture, specializing in short digital-only books, both fiction and essays. 40K is a sister company to Italian ebookseller **BookRepublic** and offers titles in a variety of language, including English, Italian, Spanish, French and Portuguese.

[B de Books](#), has been launched in November 2011 as a spin-off of Barcelona-based **Ediciones B**, a privately held, medium-size trade publisher of best-selling popular fiction and non-fiction. B de Books is Spain's first digital-only publisher to experiment with new approaches for the book business in several regards, including competitively low pricing of its titles as well as publication without DRM.

[Bastei Lübbe](#) is a German publishing company, founded in 1949 and mostly known for its pulp literature in the subgenres of Romance, Crime, and the Wild West. Publishing is still the major source of income but **Bastei Entertainment**, the company's e-publishing enterprise, is catching up fast. Established in 2010 it covers everything from ebooks, apps and digitally enhanced products. New releases are published simultaneously in print and ebook; 2,600 titles of the 3,600-strong backlist have been digitized. Ebooks accounted for 10% of turnover in 2013.

[BitLit](#), a Canadian startup, has developed a free app for iOS and Android that allows publishers to re-connect with their readers by offering free / discounted bundled ebooks to people who previously purchased paper editions. BitLit has brought over 300 publishers on board

[Bloomsbury India](#), launched in September 2012, upholds Bloomsbury's tradition of publishing books of the highest quality in fiction, non-fiction, children's, academic, business and education by both Indian and international authors. Bloomsbury is committed to providing its customers with content in a variety of digital formats, including ebooks, ebook collections, online libraries and apps.

[La Bourdonnaye](#) was founded in 2011 and is a French publisher, specialized in ebooks.

[Bravenewbooks](#) is a self-publishing platform launched in 2013 by a consortium of several of the biggest players in Dutch publishing, namely **Singel Uitgevers**, a division of the [WPG](#) publishing group, the leading online retailer [Bol.com](#), and the self-publishing portal [Mijnbestseller](#).

[CompletelyNovel](#), based in the United Kingdom, was founded in 2008 by Oliver Brooks and Anna Lewis. It is an online community specializing in print-on-demand self-publishing and advice for authors with the vision of providing them with a platform that allows works to be published in print, at the most competitive print-on-demand prices around.

[DC Books](#), established in 1974, is considered as one of the top five prestigious literary publishing houses in India. DC Books has also ventured into ebooks through a Group promoted Company EC Media, the first in India with complete eco-system in digital books.

[Dotbooks](#) is a German digital-only publisher, founded in 2012 by Beate Kuckertz, who previously had a 20-year career in traditional publishing, notably at Droemer. Dotbooks publishes popular literature of all genres and successfully manages the challenges of digital first, social reading, pricing, and DRM. Dotbooks has added an imprint specializing on romance and erotica, [VenusBooks](#).

[Ediciones B](#), founded in Barcelona/Spain in 1986, is the publishing arm of **Grupo Zeta**. It reaches a wide audience of all ages thanks to the variety and markedly commercial character of its catalog. The titles published by the imprints Ediciones B, Vergara and Zeta Bolsillo demonstrate its wide range. In 2011 Ediciones

B launched a new digital imprint, B de Books.

[EDILIVRE](#), founded in 2007 and based in Saint Denis, France, engages in online publishing and auto-publications. EDILIVRE already publishes books from more than 3,000 authors worldwide (France, Belgium, Switzerland, Canada, Morocco, Tunisia, Republic of Congo ...) and offers a catalog of more than 7.000 books in print or digital.

[Éditions L'Harmattan](#), founded in 1975, is a French book publisher, publishing 500 magazines and 2,000 new books per year, most as both books and ebooks, and has a backlist of 38,000 books, 33,000 ebooks, and 1,700 videos, with about a third each on Europe, Africa, and the rest of the world.

[Editis](#) is France's second largest publishing group that has built the ebook distribution platforms [ePlatforme](#).

[ELP éditeur](#) is a French digital-only publisher. ELP éditeur publishes 10 titles per year distributed by [Immaterial.fr](#).

[Emma Books](#) is an Italian digital publisher that releases fiction and non-fiction books by bestselling and debut authors. Besides, it re-proposes backlist titles, classical women's literature, in both Italian and English (original or translation).

[epubli](#) is a German digital printing and ebook platform, located in Berlin that was established in 2008. epubli has experienced constant growth over the years and currently employs 20 team members.

[E-Reads™](#), founded in 1999 in the United States, is the oldest independent ebook publisher in the field and an innovative leader in the modern book industry. Its mission is to bring out-of-print books back in electronic and print formats and create an independent ebook market for authors. E-Reads™ was acquired by [Open Road](#) in April 2014.

[frankly](#), a newly founded digital publisher and service provider for authors in Germany.

[Frederatorbooks](#) was founded 2013 by Fred Seibert as digital-only publishing venture in the the United States. The publisher David Wilk wants to keep alive the magic of books and especially to preserve the unique relationship of reader to text as we move into the digital age.

[Frisch & Co.](#) is a Berlin-based German ebook company that focuses on publishing contemporary literature in English-language translation and was founded in 2012. Frisch & Co.'s titles are available on ebook retailers throughout the world and in DRM-free format on its website.

[GEN - Grupo Editorial Nacional](#), founded in 2007, a market leader in STP (scientific, technical and professional) publishing and content in Brazil, with 12.4% share in this segment. Editorial platform of some of the most notorious publishers in this area, GEN gathers a catalog of over 3,500 active books, and over 700 of which are available in digital versions and/or apps, in Health, Legal and Tender, Sciences, Humanities and Social.

[GRIN Solutions](#) has been re-branded as [Open Publishing](#).

[Hispabooks](#) was founded in 2011 and is based in Madrid/Spain. It is a publishing house focusing on contemporary Spanish fiction in English-language translation, both in ebook and trade paperback format, targeting readers around the world who want to explore the best of today's Spanish literature.

[Lemaitre](#) is a publishing house that focuses on editing short non-fiction books. All our publications are available in both print and ebook formats simultaneously.

[Lulu](#), launched in 2002 with its headquarter in the United States, is a leading ebook self-publishing website. Lulu pioneered the self-publishing industry and paved the way for people around the world to publish books and bring them to market, while allowing authors to retain full control of their work. Operating a global network, Lulu

provides worldwide distribution so that authors can reach readers just about anywhere via print, e-readers and tablet devices. As the leading independent self-publishing company, Lulu has enabled people in more than 225 countries and territories to self-publish nearly two million publications, including 1.5 million books.

[Macmillan](#) is a privately held international publishing company owned by Georg von Holtzbrinck Publishing Group. It has offices in 41 countries worldwide and operates in more than thirty others. In early 2013, Macmillan started a public library e-lending pilot program with a select group of backlist ebooks from its Minotaur Books mystery and crime fiction imprint. Later in the year, the entire ebook backlist catalog of more than 11,000 ebooks was made available to all public libraries using the Axis 360 digital media platform.

[Marabout](#), founded in 1949 and a French publishing leader in gardening, practical advice, and self-help books, is committed greatly to extending its reach into digital markets.

[Mehta Publishing](#), an Indian book publishing company, was established in 1976 and already entered into the galaxy of ebooks.

[Meinbestseller](#), founded in 2010, is a German self-publishing platform for authors, publishers, bookstores, newspapers etc. It offers authors the possibility to publish their printed books and ebooks free of charge and without contract obligations.

[Mikrotext](#) is a German digital publisher for short digital reading, founded in 2013 in Berlin by Nikola Richter, with a focus on new literary texts that comment on contemporary questions.

[Mladinska knjiga](#), Slovenia's largest and most successful publishing house, entered the ebook market with Kobo.

[Monsenstein und Vannerdat](#) is a German ebook publisher, founded in 1999. Monsenstein offers professional and customized services to authors based on the digital printing technology Book on Demands.

[Morgan & Claypool Publishers](#), founded in 2002 in the United States, is an innovative new digital publisher in engineering, computing, and the life sciences, focusing on book-length treatments of fast-moving, emerging topics. Books are written by experts from around the world and published online.

[Narcissus](#) is the multi-channel self-publishing platform that currently leads the Italian ebook market. Today Narcissus serves thousands of authors and lets them sell their ebooks on all relevant online ebook stores, from Amazon's Kindle Store to Apple's iBooks Store, Nokia Reading, KoboBooks and many others local (national) ebook stores, dedicated to digital self-publishing.

[neobooks](#) started in 2010, is a German online writing community launched by German publisher **Droemer Knaur**, and is seeking out the intersection between self-publishing and traditional publishing.

[Neewood Éditions](#) is a French digital publisher.

[New Vessel Press](#), founded in 2012, is an ebook publishing house in the United States, specializing in foreign literature in translation.

[Nouvelles Editions Numériques Africaines](#) (NENA) is the pioneer of digital publishing in Africa. Since 2008, and in collaboration with about 60 African authors and 25 other African publishers, NENA has published more than 400 African ebooks on all subjects: literature, law, humanities and social science, religion, etc. Based in Dakar, Senegal, NENA also distributes epub and PDF ebooks to most standard online platforms, and has launched its own digital bookstore devoted to African books at librairienumeriqueafricaine.com.

[Novellix](#), a Swedish start-up founded in May 2011, and specializing in the publication of short stories and other books with a limited volume of around 32 pages each, which are released in print, audio, and ebook formats.

[Numeriklire](#) is a French digital-only publisher specializing in adventure, erotica, literary fiction, crime, and young adult books, also provides its entire catalog without DRM.

[Open Road Integrated Media](#), founded in 2009, is a US digital publisher and multimedia content company. Open Road creates connections between authors and their audiences by marketing its ebooks through a new proprietary online platform, which uses premium video content and social media. Open Road Integrated Media has signed an agreement to acquire **E-Reads**, the digital publisher founded by Richard Curtis in 1999. The purchase will add more than 1,200 ebooks to Open Road's list. From 2016 Open Road will be operating with dedicated teams the will both focus on two areas: publishing and content.

[O'Reilly](#) is a California based privately held publisher and pioneer in digital publications and ebooks, founded in 1978 by Tim O'Reilly, entertaining international offices in Germany, Japan, China and Taiwan.

[Partridge Publishing](#) is India's first self-publishing imprint launched in early 2013 in partnership between Penguin Books India and Author Solutions. Every Partridge India title is released in digital format as an ebook, and print format is offered as an option.

[Pratham Books](#), set up in 2004, is an Indian not-for-profit publisher that seeks to publish high-quality books for children at an affordable cost in multiple Indian languages. Pratham makes its books available on open platform, as well as on the entire range of reader applications.

[Publish Green](#), founded in 2010, is an US full-scale ebook publishing house. Publish Green is committed to helping traditionally published authors, self-published authors, and book publishers of all sizes make their mark in the ebook publishing world by providing a full range of ebook formatting, distribution, editing, and marketing services.

[Rocautores](#) is a Spanish self-publishing platform, launched in December 2012 by the Spanish publisher Roca Autores, on which the author may submit their work for evaluation by a team of professionals, receive a read and if positive, may purchase its editing service.

[Roli Books](#) is an Indian general trade publisher covering a wide range of subjects and was founded by Pramod Kapoor in 1978. Roli began first publishing children's books and subsequently moved on to illustrated book and has recently launched about 40 titles as ebooks.

[Saxo](#), the Danish leader in content management, circulation systems and audience solutions, launched in September 2012 its dedicated platform for self-publishing, called **Saxo Publish**.

[Shelff](#), launched in May 2013, is a German digital-only publisher with its headquarter in Berlin. Shelff wants to benefit from all advantages of the digital publishing.

[Sobooks](#), a project of the German blogger and online activist [Sascha Lobo](#), was launched at the Frankfurt Book Fair 2013 as closed beta version. It is a reading platform but digital bookshop and small digital publisher at the same time.

[Sterling Publishers](#), the Delhi-based Indian publisher, publishes general interest and children's books and began to offer a wide collection of ebooks in EPUB format.

[The House of Books](#) is a new Dutch publishing companies for fiction, nonfiction and children's books, with a strong focus on ebooks.

[tredition](#), founded in 2006, is a publishing service provider for book publications in Germany and worldwide. The company offers production, distribution and marketing services for ebooks and printed works.

[Tulika Publishers](#) is a South Indian multi-lingual children's books publishing house and was founded in 1996. Tulika Publishers was among the first to experiment with book apps.

Aggregators, distributors and other service providers

Aggregators and distributors are mostly B2B service companies aiming at connecting content and distribution services.

[100knygu](#) is an ebook store in Lithuania.

[Acaiaaca](#), one of the largest national book distributors in Brazil, offers full-service management of online content digital (ebooks), taking care of all tasks from the administration and distribution to settlement.

[ACK Media](#) is India's leading entertainment and education company for young audiences. ACK Media, publisher of the popular Amar Chitra Katha series, has also jumped on the digital bandwagon for its mythological comics.

[AKB eBOOKS](#), founded in 2011, is India's first ebook bestsellers and first successful independent ebook store launched by the author Ashok Banker. As of April 2013, AKB eBOOKS had sold over 50,000 ebooks.

[Alezaa.com](#), launched in late 2011 by [Vinapo](#), is a Vietnamese ebook distributor with adequate ecosystem (e-store, reading platform & building tool). With Alezaa, you can create interactive books, which are instantly delivered on multi platform.

[Allzone Digital Services](#) is a premier provider of e-publishing Services. Allzone Digital Services is headquartered in Los Angeles (United States) and has offices in London (United Kingdom) and has two state-of-the art delivery centers in Chennai and Vellore (India) with over 500+ employees. The company provides a complete range of ebooks - related services such as typesetting, fixed layouts, ebooks, e-learning, XML conversions, HTML5 and apps development.

[Amabook](#) is a Spanish online store with presence in nine countries (in Latin America and US) that offers an affiliate program. Amabook comes with the latest features to allow buying digital books, easily and fast. It also allows external editors publishing ebooks, and creates an online international business channel.

[Andrews UK Limited](#) is a privately held company in the United Kingdom, formed in the year 2000, by its current CEO Paul Andrews. AUK has a publishing partnership model for both authors and publishers, in which the rights owners work with AUK at no cost to them, and AUK will convert all the content into the various formats and then will distribute the content globally and split the income earned with the rights owners with no deductions at all.

[aNobii](#), an online book community, was launched in January 2006, and it reportedly has millions of members from all over the world, including around 300,000 members in Italy. In January 2014, aNobii was sold to the Italian publisher **Arnoldo Mondadori Editore**.

[Apabi](#), founded in 2006, a Chinese global leading provider of digital publishing technologies and services, offers comprehensive digital publishing technologies and solutions to publishers of newspapers, periodicals and magazines. More than 90% of the publishing houses in China are using digital publishing technologies and platforms from Apabi to publish ebooks, and the number of titles exceeds 2.2 million.

[Arta Tech](#), a Polish company, creates dedicated software for ebook reading devices for the comfort of the users as well as for education purposes. Arta Tech gives support to those who would like to create their own software for Onyx Boox e-readers. Its domain is to create dedicated IT solutions for ebook and econtent distribution platforms.

[arvato Systems](#) was founded in 1996 and is headquartered in Gütersloh, Germany. arvato Systems develops and markets integrated software solutions for broadcasting and media industries in Germany and internationally. It provides media sales, channel management, media research, production planning, digital media management, and business intelligence solutions. The company also offers consulting, development, integration, application management, and systems operation services.

[Atingo](#), launched in 2013 by **Publit** together with the technology provider **Axiell**, is a Swedish open platform for ebook lending services. Atingo helps libraries and publishers to negotiate price, availability and terms in real time.

[Baker & Taylor](#), founded in 1828, is one of the oldest print book distributors in the United States. But only in 2011, it entered the ebook market with its own fully-fledged digital media platform, Axis 360. Axis 360 provides libraries with a state-of-the-art system for circulating digital books and audiobooks.

[Barcelona eBooks](#) is a Spanish spin-off of **Roca Editorial**, a prominent publishing house in Barcelona. Roca Editorial and Barcelona eBooks encourage a cultural exchange and make it possible to seek out the world's best books for publication in both the Spanish and English languages. In Spain, Roca Editorial already publishes E. L. Doctorow, Nicholas Sparks, Christopher Paolini, Michael Connelly, Noah Gordon, Robert Crais, Edward Rutherfurd, Don Winslow, and John Verdon.

[Beam eBooks](#) was founded in 2005 in Berlin, Germany. It is an online ebook shop providing a broad variety of German-language literature, from crime thrillers to specialist books. Ebooks from Beam eBooks can be read on various devices and are not restricted by DRM. The range of ebooks is constantly being extended.

[Bezkartek](#) (literally "book without pages"), launched in 2009, is a Polish platform and dedicated to the distribution of ebooks, audiobooks, e-readers, and Apple iPhones. Its catalog includes 145,000 books, of which 1,400 are in Polish.

[Bhashavidha](#) provides ebooks in Indian languages, which are technologically fit and flexible for reading. Bhashavidhaebookscan be read on windows, android and ios platforms.

[Biblio](#) offers digital books in Bulgaria.

[Biblos](#), the Slovenian ebook library distribution platform, has started in September 2013 and quickly registered more than 7,000 ebook library users. It is owned by the local fiction publisher **Studentska založba**.

[Blankpage](#) is a Swiss start-up company that empowers publishers through consulting and technology to securely distribute and monetize their electronic content. It offers solutions for protecting, selling, transferring and viewing books, magazines and newspapers on various devices.

[BoD - Books on Demand](#), founded in 1997, is the German market and technology leader for digital book publications in continental Europe and offers publishers, indie authors and other content providers professional services in the fields of production and distribution. Today BoD has more than 1.2 million titles on its list of publications and ensures availability in all traditional book stores and more than 1,000 online bookshops. Ebooks published by BoD are distributed through major ebookshops such as Amazon Kindle-Shop, Apple iBooks, Google Play etc. BoD operates in Germany, Austria, Switzerland, France, Sweden, Denmark, Norway and Finland.

[Bokon](#), launched in December 2012, is a Swedish start-up online ebook store mainly owned by media group **Schibsted** and publishing house **Piratforlaget**.

[Bokskya](#), the Norwegian ebook service, was launched in April 2011. The service was intended as a national industry-wide standard infrastructure for the distribution of ebooks to consumers and was initiated by the largest Norwegian publishers and a wide array of booksellers.

[BOL](#), Netherland's leading online store, has teamed up since 2010 with ebook retailer [txtr](#) to provide a preloaded ebook app on all Samsung Galaxy tablets and smartphones it sells. To protect authors' copyright, the txtr app supports digital reading with a fully embedded Adobe DRM system.

[BookBaby](#) is a US-company that specializes in self-publishing tools and resources, founded in 2010. BookBaby digitally distributes the works of independent authors, poets, memoirists, and publishers, making their ebooks available on the most popular e-readers worldwide.

[Bookboon](#) is a Danish company, originally started in 2005, and focused on student textbooks written by their own in-house staff and freelancers. In 2010, they started to diversify their portfolio and integrated travel guides and business books. Currently they have over 1,000 ebooks on their website and 250 in production to be released over the course of this year. The company based on their success has moved offices to the UK and continues to operate its global headquarters in Copenhagen.

[Bookeen](#) is a French company that was created in 2003 and it is, according to one of its founders, Laurent Picard, "primarily a site for book lovers. A 100% digital library where the Internet user can be well served." More than ten years later Bookeen still offers top-quality e-reading solutions, such as the Cybook, and the ebook shop [Bookeenstore](#). Meanwhile, Bookeen has developed a complete range of "white-label" services for partners and distributors worldwide. More than 50 countries sell Bookeen products today.

[BookGanga](#), which presents itself as an "online bookstore of Indian literature", is a pioneer in providing Indian Literature online in print as well as in ebook format. BookGanga is an US venture based [MyVishwa Corporation](#).

[Bookmasters](#), based in Ohio/USA and opened in 1972, is one of the largest integrated providers of publisher services in the world. For more than 40 years, Bookmasters has offered services to publishers and authors such as printing, print book warehousing and distribution, ebook conversion and distribution, editorial and design, and marketing.

[Bookmate](#), founded in 2009, is one of the biggest legal ebook distributors in Russia. Bookmate is a social reading service and infinite digital library. The company is a pioneering developer of subscription-based reading: experience across multiple devices without downloading files or paying per book. Bookmate also provides secure cloud storage of readers' own books, and a platform for authors to self-publish their works. The core service is available free of charge, while additional functionality and access to a broad catalog of books is available via subscription.

[BookRepublic](#) is an Italian digital distribution platform for small and medium sized publishers and an online bookstore for buying ebooks. The company, established in Milan, was founded in 2010 by the owners of [DigitPUB](#), a company focusing on digital publishing and technology implementation in the publishing sector.

[BookRix](#), launched in 2008, is a German free self-publishing platform that offers ebook distribution services to independent writers. The users can share their writing, connect with other readers, and discover new books and authors – all in one place.

[Bookwire](#) was founded in Frankfurt in 2009 as a service provider for eBook distribution and marketing. In 2013, Bookwire extended its sales to include digital audiobooks, whereby publishers can take advantage of the independent, complete service, including conversion, delivery, marketing and billing and consequently access all relevant eBook or audiobook shops across the world. Bookwire has continued to expand its range of services for currently more than 1,000 publishing clients with over 100,000 eBooks and 25,000 audiobooks and added sale of print on demand products in October 2015 in order to generate optimum sales revenue together with the publishers. Bookwire GmbH is managed by founders Jens Klingelhöfer and John Ruhrmann, as well as Marlies Hebler, and currently employs 33 staff in Germany, Spain, Brazil and Mexico.



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www.bookwire.de/en

[BooXtream](#) was launched by Icontact, a Dutch firm that is specialised in bespoke software solutions for the publishing industry. Icontact was already providing mp3 watermarking to a Dutch audiobook distributor since 2006. In 2010 BooXtream became the first dedicated API based watermarking and personalisation (aka Social DRM) web service for EPUB and MOBI ebooks. In addition to this, BooXtream also offers a web based Dashboard. It contains different tools that can be used to watermark and personalise ebooks for review copies and other projects that don't need a web shop integration.

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[booglab](#)'s goal is to innovate the publishing process. As a publishing services provider based in Barcelona, they have been producing and converting ebook apps and digital magazines for all sorts of publishers, institutions and content producers around the world.

[Brave New Books](#), launched by **Bol.com** in 2013, is a Dutch online self-publishing platform for authors to produce, publish and market ebooks and POD (print on demand) books.

[Byte the Book](#) is a British organization helping writers and publishers connect with each other, understand technology and link with other creative industries. Byte the Book champions quality writing, and embraces opportunities to connect writers with readers in the digital age.

[Casa del Libro](#), Spain's largest bookstore chain, founded in 1923, has continued to grow, and in 1992 became part of **Grupo Planeta**, one of the main publishing groups in Spain. Casa del Libro has a broad range of paper and digital content and offers more than a million books in print and about 60,000 ebooks. In November 2011 Casa del Libro launched its e-reader [Tagus](#), giving consumers access to "the largest Spanish-language book

catalog in the world," according to director Xavi Solà.

[Casalini Libri Torrossa](#), launched in 2011, is an Italian full ebook platform and hosts, to-date, 15000 ebooks, and 650 ejournals from 160 publishers and new content is added every week.

[CB](#) is the leading distributor for ebooks in the Netherlands, and they reported that the number of available titles grew from 19,230 to 28,319 with the majority of titles (80%) protected by digital watermark DRM. They also reported that the growth rate was accelerating, with the 2013 ebook sales equaling the combined sales of 2013 and 2012 (720,000 ebooks).

[ceeb0](#), an German ebook platform launched in March 2011 by **Media Control**, can already look back on more than three years of successful production and is a neutral ebook alternative for traders.

[Ciando](#) is a German independent retail platform for ebooks, based in Munich, with 325,000 currently available titles from about 1,650 publishing houses, including both independent (e.g., Hanser, Campus) and corporate (e.g., Random House, the Bonnier group) as well as international (e.g., Pearson Education, Wiley, O'Reilly) publishers.

[Chichili Agency](#), founded by Karsten Sturm in 2009, is a German literary agency specialized on ebooks. Since 2010, the agency has a close partnership with the technical ebook provider **Satzweiss**.

[Cielo](#), established in 1991, is a Bulgarian publishing house and one of the leading ebook distributors in that country.

[Círculo de Lectores](#) is the largest community of readers in Spain since 1962. In recent years, Círculo de Lectores has entered the digital world with force, with numerous projects including the launch of the virtual platform Booquo in 2012, and the creation of its own digital imprint, [arrobabooks](#), and of **Nubico**, a major platform for the commercialization of ebooks, in partnership with **Telefónica**.

[Clearpassion](#) is a French online ebook shop specialized on erotic literature.

[Content 2 Connect Kft.](#) is the only ebook aggregator in the Central Eastern European region. The company was founded 2012. Co2Co is a bridge between publishers and the biggest ebook retailers. They provide publishers with free ebook conversion, an instant access to new distribution channels and offer a wide-range of high quality content to their retailers.

[Contentment](#) is a London based tech start-up building tools for publishers. Its cloud-hosted platform, **Padify**, makes it simple and cost effective to remix content into apps, digital magazines and ebooks that will work on all devices.

[Contentra Technologies](#), established in 2005 in India, delivers full life-cycle content management services that include content creation, capture, digitization, preservation, and distribution to leading publishers, content aggregators through five offices across the United States, Europe, and India.

[Copyright Clearance Center](#) (CCC), a leading global rights-licensing technology organization, provides solutions that simplify compliance for content users, promotes the work of creators and supports the principles of copyright. A rights broker for the world's most sought-after journals, books, blogs, movies and more, CCC makes it easy for businesses and academic institutions to use, share and store copyrighted material while compensating content creators for their works. With its international subsidiary, [RightsDirect](#), CCC serves more than 35,000 customers and 12,000 publishers around the world.

Get Republication Rights, Right Now

The advertisement features a top section with the text "Get Republication Rights, Right Now" in large orange letters. Below this is a photograph showing a row of colorful books on the left and a black tablet on the right, which displays the website address "www.copyright.com". A blue horizontal bar across the middle contains the website address in white text, followed by a yellow circular arrow icon pointing right. The bottom half of the image shows a continuation of the book stack and the tablet.

www.copyright.com

Copyright Clearance Center

[Cubolibri](#) is Telecom Italia's online store dedicated to the digital publishing trade. In 2012 it changed its name from **Biblet** to Cubolibri. On Cubolibri, readers will find a comprehensive and constantly updated catalog boasting around 23,000 ebook titles in Italian by major authors, both Italian and foreign and distributed by the most important editorial publishers.

[DAISY Consortium](#) was formed in May 1996 in Sweden by talking book libraries for the blind to lead the worldwide transition from analog to digital talking books. The Consortium wants to make ebooks accessible for everyone by contributing to the development of open accessible standards (DAISY, EPUB 3) and supporting the inclusive publishing ecosystem around the world.

[Dajianet](#), a Chinese ebook distribution platform, was introduced in 2011 by **China Publishing Group Corporation**, one of the largest players in the Chinese publishing industry.

[Dalim Software](#), based in Germany, is since 1985 a global leader in design and development of scalable productivity and workflow solutions for the graphic communications industry.

[Datamatics](#), founded in 1975 in India, to help publishers, media companies and retailers embrace the digital landscape. In addition to online enablement services, Datamatics also offers smart solutions for the media and publishing companies.

[Dawson France](#) is since 1925 the French office of **Dawson Books**, which is part of the **Bertrams Group** and Europe's largest supplier of academic books, ebooks, shelf-ready services and information systems to the University and FE markets. In the continually expanding world of library services, Dawson Books is a genuine rarity, an agile, forward-looking company with traditional values and unwavering commitment to personal service.

[DawsonEra](#) has become the ebook platform of choice for the UK's leading academic libraries. There are many thousands of ebooks in the catalog, published by academic publishers around the world. The DawsonEra reading portal provides access to the full text in PDF-format of more than 300 ebooks. This selection is continually growing and it covers all disciplines of the UM.

[Deanta Global Publishing Services](#) was founded in 2011 in Ireland. The company name comes from the Irish term "Déanta", meaning fully-fledged. Deanta offers a full-service project management solution to handle the production process for international publishing organisations and assists with all stages of a publication life cycle, from designing a cover or template to delivering and managing a set of digital assets for printing and electronic distribution.

[De Marque](#) is since 1990 a French leader in the field of digital cultural content distribution, specifically digital books. De Marque is well established in Canada, France and Italy, and is creating an extensive multilingual network that offers numerous opportunities for forging alliances.

[diacriTech](#), established in 1997, is a provider of book, journal and multimedia publishing services. diacriTech has two offices in the United States and three facilities in India with over 900+ employees.

[Diesel eBooks](#), launched in December 2004 and located in the United States, is one of the world's largest independent ebook stores, offering over 3 million original ebook titles and sells titles from hundreds of publishers. Its ebook platform is compatible with iPhones and iPads, Android phones, web browsers and many supported e-readers.

[Digibooks4all](#) was launched in 2010 in Athens, Greece offering a software solution designed for publishers.

[Digimarc Guardian](#), the global leader in protecting author rights and book revenue, utilizes digital watermarks and web crawling technology to trace and remove pirated content across the Internet.

[DigiPlug](#), based in France and founded in 1998, provides end-to-end digital manufacturing and distribution solutions across the entire digital supply chain.

[Dilithèque](#), launched in 2010, is a French distribution platform of ebooks and provides the ebook catalogs to libraries dealing with ebooks and to specialized portals.

[Dilve](#) is a Spanish technological platform for the management and distribution of the bibliographical and marketing information of Spanish books in print.

[Dito](#), launched in September 2011, is a Swedish integrated reading and bookselling platform, with an app available for both Apple and Android platforms.

[DLD](#), officially launched in April 2011, is a Brazilian digital book distribution consortium that includes Objetiva (partially owned by Santillana), Record, Sextante, Rocco, Planeta, L&PM and Novo Conceito. DLD represents some 30% of digital market today.

[Draft2Digital](#), launched in 2013, is an US ebook aggregator. As of late, Draft2Digital is offering free ISBNs for

all books through its distribution service.

[e-bookBG](#) is a Bulgarian leading distributor, using Adobe Content Server DRM.

[EBSCO Information Services](#), founded in 1984, is a provider of resources for libraries including discovery, resource management, databases, ebooks, historical digital archives and more in the United States.

[Ebook Library](#) (EBL) is an ebook aggregator for academic and research libraries, offering innovative access models and tools to patrons and librarians with offices in the United States, United Kingdom and Australia.

[eBook](#), formerly known as **Libri** and founded in 1999, is one of the leading e-commerce companies in Germany and is among the pioneers in the rapidly growing ebook market. eBook.de, the largest wholesaler for printed books – and claiming to be the lead seller of ebooks – offers a catalog of over 600,000 ebook titles including 80,000 titles in German, as well audio books, used books, and DVDs.

[ebook.nl](#) is a Dutch ebook platform, launched to sell, stream, and lend ebooks.

[eBook Architects](#), founded in 2008 by Joshua Tallent, is a US full-service ebook conversion and consulting company based in Austin, Texas. eBook Architects is committed to making the ebook creation and publication process easy and affordable.

[eBook Partnership](#) works with independent authors, hybrid authors and publishers worldwide. Specialists in all types of eBook conversion, including fixed layout. eBook Partnership offers an extensive eBook distribution service. Authors and publishers receive 100% of royalties paid by the retailers. Partner Member of The Alliance of Independent Authors.

[Ebookpoint.pl](#), founded in 2011 as a Polish company, specialized in the distribution of ebooks on information technology, law, business, psychology and education. It offers a platform for self-publishers and ebook production services for corporate and private customers.

[eBooks.com](#) was founded in 1997 as a specialist online ebook store that offers titles from hundreds of publishers in the United States, the United Kingdom and Australia and provides high quality titles to the growing ebook customer base globally. The company offers an extensive catalog of digital books from the world's leading publishers and has developed an aggressive marketing strategy to make sure that their titles have the best market exposure possible.

[Ebrary](#), founded in 1999, long before ebooks were popular, is a ProQuest business located in Palo Alto, CA, USA. Ebrary helps customers acquire ebooks strategically through a three step approach involving transitioning, diversifying and streamlining™ and currently has more than 4,500 library customers around the world serving more than 19.2 million end-users. More than 500 of the world's most authoritative publishers distribute ebooks on the Ebrary platform. In 2013, it announced a new German-language ebook subscription database for academic libraries.

[Eden-Livres](#), launched in 2009, is a French joint venture of the independent publishing houses **Gallimard**, **La Martinière/LeSeuil**, **Actes Sud**, and **Flammarion**, offering a catalog of over 5,000 titles in various formats, mostly EPUB. The technical service provider **Canadian De Marque** has received additional financing of 3 million Canadian dollars from three French publishers: Gallimard, Flammarion (later in the year acquired by Gallimard), and La Martinière. A catalog of 1,500 French Canadian ebook titles has been cleared for distribution in France through [Diffusion Dimedia](#), in a cooperation with **Volumen** and **Eden Livres** in 2013.

[eDigita](#) is an Italian digital distribution platform, branded in May 2010. eDigita is a collaboration between **Feltrinelli**, **RCS Libri**, **Messaggerie Italiane**, along with ten smaller publishers. Together the group represents 30% of the print market in Italy.

[EditionGuard](#) is a secure and robust ebook DRM service, based on the industry standard Adobe Content Server,

located in the United States. EditionGuard provides publishers with high-end digital publishing solutions as well as creation and conversion services for digital publications. Its areas of expertise range from Publishing Automation, DRM, Digital Publishing for Mobile platforms and Web-Print solutions.

[eKönyv Magyarország](#) is one of Hungary's strongest distributors and retailers for ebooks.

[Elefant](#) is the leading ebook distributor in Romania.

[Elib](#), established in 2000, is the main Swedish ebook distributor. Elib supplies technical solutions for a secure and reliable distribution. Elib's customer base covers the whole distribution chain from publishing houses to libraries and retailers in Sweden, Denmark, Norway and Finland.

[Emka](#), a Slovenian ebook distribution platform, is stocked with more than 1.100,000 Slovenian and foreign titles, textbooks for all educational levels, stationery and business gifts, and much more. The Emka.si website is part of the retail network of **Mladinska knjiga Trgovina d.o.o.**, which is the leading bookseller in Slovenia.

[Empik](#) is Poland's largest commercial chain selling books, international press and media products, promoting its own e-reading device and an ebook catalog of 4,521 titles in EPUB format and 4,068 in PDF format.

[Epagine](#), a French company founded in 2008, offers editors, bookshops, and librarians the perfect tools to work with ebooks. Epagine transforms French and Dutch source formats of books into formats ready to be read as ebooks. In addition, it offers editors the production, storage, and protection of their ebooks and assistance in developing catalogs. It also operates a [Dutch platform](#), serving a broad list of publishers.

[Epigrafe](#), founded in 2003, distributes digital publications, protected under Adobe technology, in Spanish. Its priorities are to recover cultural assets and popularize digital content, honoring copyrights without neglecting the consumer.

[ePub Direct](#), founded in 2009, is an Irish online ebook distribution platform that connects book publishers with 1000 online retailers and over 25,500 libraries. ePub Direct offers additional services such as ebook conversions, app and enhanced ebook creation and white label solutions.

[FastPencil](#) is an US publishing service and writing community for authors and publishers. The company was founded in 2007 and it was purchased in 2013 by the **Courier Corporation**, an innovative US book manufacturer and content management provider. FastPencil provides authors and publishers with full-featured, open-platform solutions spanning content, workflow, marketing and distribution. It provides simple automated systems to help self-publishers get to market quickly and effectively in both print and ebook form.

[Feiyr](#), founded in 1993, is a German distributor for creative musicians and writers. Feiyr can publish ebooks in more than 160 shops worldwide and millions of readers will have access on it.

[Firebrand's Content Services](#) is dedicated to providing leading software and services to help publishers achieve success. Firebrand provides steadfast leadership and seamless information flow throughout the publishing process.

[Firstsource](#), founded in 2001, is an Indian onshore offshore publishing services provider focusing on EPUB3, publishing back office services, data conversion, magazine production, editorial services and an innovative platform for optimizing and automating the rights and permissions process.

[Flipkart](#) started in 2007 in India as an online retailer of books with the objective of making books easily available to anyone who had internet access. Later Flipkart introduced other categories of products as well. In 2013 the company launched its ebooks app for three new platforms: iOS, Windows Phone and PC browsers. Flipkart already had an Android app, which was launched in late November 2012.

[Fnac](#), founded in 1954, is the largest chain bookstore, also selling music and movies in France, with revenues

of €4,473 million. Fnac has additional ventures in Belgium, Switzerland, Spain, Greece, Italy, Portugal, Taiwan, and Brazil. Fnac offers a catalog of 82,000 ebooks, and operates in a partnership with **Kobo**.

[**Gato Sabido**](#) was the first Brazilian ebook store, launched in December 2009, with 150 titles for sale and now features a broad range of over 7,000 ebooks across a number of genres.

[**Ghandi.com**](#), founded 1971, is Mexico's most recognizable bookstore chain and brings more than 40 years of experience in brick-and-mortar sales and about 15 years of experience in e-commerce. Ghandi also entered the ebook market recently, offering digital content as well as a self-publishing platform.

[**Green Apple Data Center**](#), established in 1992, has more than 1,000 clients all over North America, Europe and Asia as a service provider and specialist in digital production.

[**Gutenberg Technology**](#), established in 2010 in France, provides digital publishing solutions for publishers. It has developed an end-to-end workflow disruptive authoring tool that bridges the gap between creation and production department in a publishing company, saves DTP time and enables publishing on multiple platforms simultaneously (Print, Web, Tablets, e-readers and smartphones).

[**HathiTrust**](#), founded in October 2008 by the thirteen universities of the Committee on Institutional Cooperation and the University of California, is a partnership of US academic and research institutions, offering a collection of millions of titles digitized from libraries around the world. HathiTrust is a digital preservation repository and highly functional access platform, including notably content digitized through **Google Books**.

[**Helikon**](#) is an ebook distributor in Bulgaria.

[**hgv - Hanseatische Gesellschaft für Verlagservice**](#) is a service provider to publishing houses in Germany and was founded in 1989 as a subsidiary of the **Georg von Holtzbrinck publishing group** including IT solutions, customer and financial service, production and logistics to digital delivery.

[**IBA**](#), was launched 2012 by **Abril**, one of the largest media groups in Brazil. IBA is a new digital retailing platform with 25 magazine titles, 19 newspapers and 6,000 ebooks from 170 publishers – making it one of the largest ebook retailers in Brazil, following **Gato Sabido**, which has 7,300 ebooks, and **Saraiva**, which has around 6,000.

[**IBS**](#) is the leading Italian online platform for ebooks.

[**Immanens**](#), started in 2004, is a French company involved in all digital publishing worlds (retail press, book trade, education). Immanens is the leading French partner for magazine and book publishers for their digital projects with more than 500 publications, 15 publishers in education, 8 million deliveries per year. Leading textbook distribution platform in France (Lib').

[**Immatériel**](#), founded in 2008, is one of the main distribution platforms of digital books in France and the designers of various new-generation online digital libraries with the mission of facilitating the diffusion of digital works whatever their access mode.

[**iMobilco**](#) was founded in 2008 by the Sergey and Nikolay Belousov brothers. iMobilco is the first digital content shop in the Russian market, providing a full range of services and sells electronic books, videos, and music online. The company currently offers its customers one of the most extended ranges of books and audio books in Russia. iMobilco has also produced a special application for reading ebooks on iPhone, iPad, and Android as well iMobilco's own electronic book reader, **iChitalka**.

[**Ingram**](#), based in the United States, is the world's largest and most trusted distributor of physical and digital content. Ingram provides books, music and media content to over 38,000 retailers, libraries, schools and distribution partners in 195 countries. More than 25,000 publishers use Ingram's fully integrated physical and digital solutions and programs to realize the full business potential of books.

[IngramSpark](#), launched in 2013 in the United States, is the only publishing platform that delivers fully integrated print and digital distribution services to the book industry through a single source. Therefore, the main feature of Spark is that authors can now publish ebooks and physical books at exactly the same time.

[Innodata](#), founded in 1988 in New York/USA, is a global provider of business processes, information technology and professional services which help clients create, manage, use, and distribute digital information. Having worked with over 880 global publishers, converted/distributed over 1.75 million titles in 25 languages and by serving the manufacturers of ebook reading devices, as well as trade, education, and professional publishers, Innodata is one of the largest producers of ebooks. The company manufactures ebooks in multiple formats, as well as enhanced, interactive, dual-, and multi-lingual ebooks.

[INscribe](#), launched in 2010 in the United States, has quickly established itself as a leader in the ebook publishing services space. INscribe provides global digital distribution, content conversion and optimization services to large and small publishers. INscribe Digital's retail network is quickly expanding. They are an approved delivery partner of Apple and have deals with Amazon, Sony, Barnes & Noble and Kobo.

[Integral](#) is a company with its headquarter in India and offices in Boston, Sydney and Jaipur, specializing in providing Digital Publishing solutions, ebook conversion, Prepress production, XML solutions, and Digitization services.

[iStoryTime](#) is a German publisher of children's storybooks for the iPhone, founded in 2009. The company wants to make children's books more accessible and entertaining and has created a new medium for established and first time authors to showcase their work at no expense. The new publishing platform provides parents with a library of compelling children's books available anytime and anywhere.

[Izneo](#), founded in 2010, is a French digital comic distributor. Izneo were formed as a partnership of 12 comics publishers and its big success was to overpass 3,000 titles at the beginning of 2013 having no more than 25 partners.

[Klopotek](#) is a leading supplier of software and consulting services for publishers of books and journals, print and online. More than 350 publishers, with over 14,000 users, rely on Klopotek to help them achieve their goals. Klopotek software supports the entire publishing value chain for print and digital products. Klopotek sponsors cutting-edge research and networking within the publishing industry. The company has offices in Europe (Amsterdam, Berlin, Glasgow, Milan, Munich, Paris and London) and in the USA (Parsippany/New Jersey).



klopotek.

Klopotek Provides Leading Software Solutions and Consulting Services to more than 350 Publishers with more than 4,400 Imprints Worldwide.



www.klopotek.com

[KNO VA](#) is the leading distributor for printed books in the German market. KNO VA is currently hosting more than 27,000 digital items for 26 publishers.

[KnigaFund](#) was launched in September 2008 by [Digital Distribution Center Ltd.](#), the largest Russian legal digital content distributor. KnigaFund has more than 100 universities among its subscribers, more than 50,000 ebooks and above 40,000 active user accounts. The word 'KnigaFund' is Russian equivalence for English 'The Book Fund'.

[KNV](#), founded in 1829, is Germany's biggest book wholesaler with worldwide export of books in various languages and multimedia products. Special services for online booksellers are offered as well ebooks (more than 900.000) and more than 440.000 PoD titles.

[Knygos](#) is a Lithuanian ebook distributor.

[Kontor New Media](#), founded in 2003, is a German digital distributor for all kind of media, no matter if it is

music, music videos, movies, TV shows, ebooks or audio books. Kontor New Media also exploits content on platforms like YouTube/Google, Maxdome, Lovefilm, On Demand Distribution or in the fields of mobile entertainment through its partners Vodafone, T-Mobile, AT&T and more.

[La Factoria](#), founded in 2000, is a Spanish leading partner for interactive educational digital content to the publishing industry. La Factoria has more than ten years of professional experience in multimedia products design, educational interactive and the development of customized digital applications.

[Leer-e](#) is the one-stop shop where Spanish-language publishers and retailers of ebooks and digital content meet. The company offers a complete range of services for publishers: digitization, translation, editing, conversion, publication, promotion, and distribution (including its own online shops for publishers).

[le-tex](#), a German company since 1999, specializes in content engineering – the highly varied range of tasks involved in producing publications. Alongside print data, the items most frequently produced by le-tex are ebooks.

[Libranda](#), founded in 2010, is the biggest Spanish ebook platform and act as a digital distributor with no direct-to-consumer sales.

[libreka](#) is a German platform launched by **Börsenverein** in 2006, offering ebooks since 2009, with more than 980,000 ebook titles. Libreka claims to be the largest German distributor of ebooks. Owned and run by Börsenverein, Libreka has recently announced several partnerships – such as with Kobo in July 2011 – to position itself as a link between retail platforms and publishers.

[Librify](#) is a New York-based social US ebook retail start-up, founded in 2013, targeting book clubs. Librify co-founder and CEO Joanna Stone describes the start-up as “Goodreads plus a book-of-the-month retail platform.”

[LitRes](#), founded in 2007 and based in Moscow/Russia, is the largest ebook retail platform for legal titles in Russia, currently listing 200,000 ebook and audio titles for download and its own LitRes Touch device. The Russian ebook retailer has raised \$5 million in its first round of funding. It offers over 380,000 ebooks in Russian from over 100 publishing houses.

[Livraria Cultura](#) has a chain of 14 stores in Brazil as well as a website where they sell all sorts of media in addition to books and ebooks. Livraria Cultura had an ebook store since 2010. In 2012, Kobo closed an exclusive deal with the Livraria Cultura bookshop chain to sell Kobo e-readers and ebooks.

[Livraria Saraiva](#) is the largest Brazilian bookstore chain, with over 100 stores around the country. Their ebook store was launched in early 2010. In 2013 Saraiva has launched its own self-publishing portal, “Publique-se!,” which translates to “Publish it yourself”, and offers 35% royalties to authors.

[Lumina Datamatics](#) empowers publishers to manage their end-to-end publishing process, right from manuscript stage to multi-device output, by developing content-rich, interactive and engaging ebooks that embed multimedia resources.

[Mantano](#), a French company, is developing software for digital publishing, e-reading and e-learning since 2007 and has contributed to the rise of e-reading by providing powerful, robust and smooth applications that facilitate its adoption.

[Martinus](#), founded in 2001, is the largest internet bookstore and a growing chain of brick-and-mortar bookstores in Slovakia. In its segment, Martinus.sk is the biggest ebookstore with the highest traffic by number of served customers.

[Midvox](#), founded in 2000, is an independent service provider for the book trade. Midvox offers marketing solutions for online bookshops, local bookshops and publishing houses.

[Minha Biblioteca](#), founded in 2011 in Brazil, is a digital content consortium created by four of Brazil's largest scientific, technical, and medical (STM) publishers – Editora Atlas, Grupo A Editoras, GEN – Grupo Editorial Nacional and Editora Saraiva. The consortium's catalog exceeds 12,000 ebook titles and covers almost all areas of knowledge, particularly in the areas of law, health, business administration and engineering.

[MintRight](#), founded in 2010, is a US ebook conversion and distribution platform. This platform adapts the content according to the specifications of different e-readers and formats it for distribution to the selected sellers, ranging from Apple to Amazon, Barnes & Noble, Kobo, Sony et al.

[Mobcast](#) is a British digital book platform provider and was founded in 2007 by CEO Tony Lynch and bestselling author Andy McNab. In 2012, Mobcast has been purchased by the retail giant **Tesco** in order to have its own digital book distribution platform, including cloud-based storage for the books.

[moresophy](#), founded in 2011, offers software applications for the analysis and structuring of big data and information in client-oriented web-applications and has quickly established itself in the field of developing intelligent content solutions. Leading German publishers, e.g. Haufe Lexware, the Klett Group, WEK, and Dashöfer Publishing trust moresophy with their digital business and consulting expertise.

[Multimediaplaza](#) is a leading distributor of ebooks in Hungary.

[MyiLibrary](#) is an e-content aggregation platform for public, academic and professional libraries around the world. This platform offers library users access to some of the most topical and current ebooks available today.

[Neelwafurat](#), established in 1998, was the first platform for purchasing Arabic books online. Its headquarter is located in Beirut, Lebanon and there is an additional branch in Egypt. After launching its e-commerce site in 2000, it now offers 450,000 Arabic books and 2,500 ebooks, and last year it introduced [iKitab](#), an ebook reader application for the iPhone, iPad, and Android. Neelwafurat also added a site for digital magazines, [iMaghaleh](#), hosting about 100 magazines from all over the Arab world.

[Néolibris](#), a French company, creates and adapts enhanced ebooks for many different types of digital devices such as tablets and smartphones.

[NetGallery](#), launched in 2008, is a marketing and publicity platform for publishers and authors in the United States. There are more than 250 publishers using the NetGalley service.

[NetRead](#), founded in 1999 in the United States, created the first commercial ONIX-conversion application, JacketCaster. As the first to upgrade to ONIX 3.0 in 2009, NetRead continues to lead, combining its expertise in metadata with its content and asset distribution product, EbookCaster. Publishers of all sizes utilize these applications to reach global markets in the accelerating e-landscape.

[Nexto](#) is a Polish distributor, specializing in library services. In 2013 the **Nexto Reader**, the firm's own app, was recognized in a competition held by MasterCard as Poland's best mobile purchasing app, and came second on an European scale.

[Ninestars](#), founded in 1999, is an Indian company that provides IP-driven digital content solutions from creation to consumption including digitization, conversion, mobile apps and digital commerce. Publishers, Media firms, Libraries and aggregators trust Ninestars to build solutions that enhance monetization and reader engagement.

[Numilog](#), a French ebook store was launched in 2000 and acquired by **Hachette** in 2008 but was returned to its founder in June 2012 ([press release by Hachette](#)). It is the main ebooks aggregator in France for multiformat ebooks, especially PDF and EPUB, and offers digitization and distribution services to the major French-language publishers and some major English-language publishers.

[OdiloTID](#), founded in Spain in 2011, is a Library management System Provider. Its services allow the library

loan of ebooks respecting conditions of licensing and copyright. OdiloTID allows libraries to directly negotiate ebook acquisition.

[Open Publishing](#) offers global ebook distribution with special focus on partners in Germany, Austria and Switzerland. 68 employees and 18 years of experience are at your service. We have streamlined the digital distribution process for publishers. Find more information on www.openpublishing.com/en



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[OverDrive](#), founded in 1986, is an American digital distributor of ebooks, audiobooks, music, and video titles. OverDrive currently hosts more than 1 million premium digital titles from more than 2,000 publishers. More than 22,000 libraries, schools, and colleges worldwide utilize its digital distribution services.

[Ozon](#), established in 1998, is the largest Russian online retailer. Ozon started as an online and electronics bookseller but has since branched out into fashion and logistics services for other companies is often called "Russia's Amazon" for its size and scope. Ozon has a catalog of about 600,000 printed book titles and about 10,000 ebook titles.

[Palmknihy](#) is a Czech ebook store and one of the biggest ebook sellers in that country.

[PaperC](#), a German online platform, was founded 2008 by Felix Hofmann, Lukas Rieder and Martin Fröhlich. PaperC is the largest specialized library in the Internet for scientific subjects and offers students and interested persons free access to almost 18,000 ebooks from more than 100 textbook publishers.

[Paragon Software Group](#), established in 1994, is an US software developer with offices in the United States, Germany, Japan and Russia, whose portfolio includes more than 350 electronic dictionaries, encyclopedias and phrase books in the widest combination of over 30 languages.

[PhoneReader](#), created in 1998, is a French online community platform which judges the books based on the last reviews they got on the web and the social networks.

[PigeonLab](#), founded in 2011, is an US-service that handles upload, distribution, and accounting for self-published authors all around the world. Its simple distribution platform lets authors easily distribute their ebooks, make sales, and collect payments.

[Pixelleance](#) is a French well-established publishing service provider that has become an XML specialist in ebook production. The company designs content in a variety of paper and digital formats.

[Planet Media](#), founded in 2010 in Spain, is one of the international leading companies in providing omni-channel solutions and it's focused on end-to-end software development and delivery. Planet Media is providing multi-channel solutions for smart phones, tablets, Smart TV and web.

[Polc.hu](#), a Hungarian online bookstore, has been merchandizing ebooks in Hungarian since March 2011.

[Primento](#) is an ebook distributor created in 2010. Services entail the distribution of the publisher's ebooks, providing a tailored ebook SEO and ensuring a world-wide distribution as well as metadata.

[Proyecto451](#), based in Buenos Aires, is an agency that provides management consulting for iberoamerican publishers, companies and organizations. Their service contains the creation of epubs, epubs3, content in HTML5, apps for mobile platforms, and more.

[Publidisa](#), founded in 2000 in Sevilla/Spain, offers services including the creation of protected ebooks from publications supplied by publishers in digital format and their marketing on the Internet.

[PubCoder](#), launched in March 2013, is a start-up based in Turin/Italy. It has been founded by the experience of a group of friends, active for many years in the digital publishing. PubCoder builds highly interactive stories and prepares digital books for a multi-platform distribution: EPUB3 iBooks and Readium ready, Kindle and many more.

[Publio](#) is a Polish online bookstore. Its advantage despite a variety of titles from the best Polish publishers is extensive functionality and the ability to download the books in formats enabling to read them on various mobile appliances, inter alia, on Kindle.

[PublishDrive](#) is a Hungarian ebook distribution platform.

[Publit](#) is Sweden's second-largest ebook distributor and initially offered print-on-demand services. Publit has integrated with all major booksellers in Sweden, as well as some international sellers/distributors such as Kobo, OverDrive and iBooks.

[Publiwide](#), founded in 2010, is a Swiss company providing publishers and authors with a range of specialist software solutions that aim at streamlining editorial workflow for the distribution of dynamic ebooks to a global audience.

[Publ Studio](#), founded in 2011, is a Korean publisher of interactive digital media and G-learning content for iOS and Android devices. It specializes in appbook creation, mobile gaming content, and smart platforms.

[Publizon](#), founded in 2005, is Denmark's largest distribution portal for ebooks and represents a large number of larger and smaller publishers. Publizon is currently focusing on PDF and EPUB formats. The platform releases a weekly top ten ebook bestseller list, which currently displays a significant share of Scandinavian fiction.

[Qbend](#), an US based company founded in 2010, is a full service digital partner that enables publishers establish and maximize their ebooks business. Qbend provides a platform for publishers to go directly to their consumers and helps them interact with their readers to see what they like and what they want more of.

[Qordoba](#), a Canadian and Lebanese company with its legal headquarters in Dubai, was launched in 2011 as an initiative specializing in digitally publishing Arab writers. Ultimately, Qordoba wants to cover all subjects and distribute them on its own platform. Titles will be made available in EPUB, across all major platforms, including Apple, Android, Windows, websites, and Samsung's Smart TV.

[Rahva Raamat](#) is a historical bookstore established in 1912 in Estonia. Rahva Raamat's flagship store, which is also the largest of its kind in the Baltic countries, was opened in Viru Keskus in 2004. Its estore is one of the most successful online bookstores in Estonia and the biggest seller of ebooks.

[Readbox](#), founded 2008 in Germany, supports publishers with software and services for the production, the marketing and the distribution of ebooks and other digital products.

[ReadCloud](#) is an Australian company founded in April 2009, providing a white-label e-commerce platform, which allows bookstores to sell ebooks online. It was launched in November 2011 and over 100 bookstores in Australia have signed up to the platform.

[Read Forward LLC](#), founded in 2012, is a Romanian digital studio dedicated to building book-apps (Apple, Android, Windows). Its catalog includes fiction and non-fiction titles, books for children, and other cultural apps.

[Readfy](#), a German digital platform that is offering free ebook service, was launched on 7 February 2014 (initially in the form of a limited "public beta launch"). Since September 2014 they are offering their finished reader app for Android smartphones and tablets containing a catalog of about 25,000 books of very different genres by more than 120 publishing houses that can be read for free for the first time on Readfy. An ad-free subscription-model is planned for 2015.

[Riidr](#), founded in 2010, is a Danish start-up that sells ebooks and develops reading applications for Android and iOS. Riidr sells ebooks in the Danish market through riidr.com and delivers end-to-end technology and reading platforms for bokon.se in Sweden and ebok.no in Norway which have helped them to a position with the leading ebook sellers in their respective countries.

[RNTS Media](#) was established in 2010 and is headquartered in Berlin, Germany. RNTS Media is a multimedia publisher that publishes RNTS branded digital content and assists digital content providers and developers through marketing strategy for international distribution and promotions.

[Rufoof](#), founded in 2010 in the United Arab Emirates, is an ebook portal offering publishers a complete line of services from digital conversion to distribution. Rufoof distributes 4,500 ebooks and has signed contracts with 21 publishers with a subscriber base of 74,000 worldwide.

[Satzweiss](#), a Germany-based company providing end-to-end ebook publishing services and tools.

[Sellbox](#), founded in 2002 in the United States, provides ebook strategy consulting, conversion services, CreateSpace POD publishing support and ebook marketing services including distribution to the largest ebook stores.

[Shelton Interactive](#), founded in the summer of 2010, is a US full-service digital agency that works with books

and brands. Shelton Interactive creates social media and digital strategies focused on helping authors and publishing houses build better relationships with media, readers, customers and colleagues online and off.

[Simplicissimus Book Farm](#), created in 2006 and operating as a distribution platform branded **STEALTH**, aggregating over 50.000 ebooks from 20 Countries and bringing them on 50+ online retailers, and a self-publishing platform, Narcissus, distributing 10.000 ebooks.

[Sina.com](#) is the largest social media platform for Chinese people around the world. Sina.com introduced a reading as well as writing platform, bundled with ebook distribution to large user communities.

[Skaitykle](#) is the first ebook store in Lithuania where you can buy e-readers and ebooks in Lithuanian. This platform also sells reading devices.

[Smashwords](#), founded in 2008 in the United States, is an ebook self-publishing and distribution platform founded by Mark Coker. Smashwords provides ebooks in all kinds of different file formats. In August 2013, [Flipkart](#) inked a deal with Smashwords to distribute its tiles in India.

[Sourcefabric](#), launched in 2010, is established as a Czech non-profit organization with its headquarters in Prague, branches in Berlin and Toronto, and representatives in Minsk, Guatemala, Warsaw, Belgrade and Cluj. Sourcefabric provides new organizations with the software, expertise and support to produce it online, in print and on air.

[SPi Global](#) is a multinational platform and one of the world's largest and most diversified Business Process Outsourcing (BPO) service providers in terms of clients, geographic presence, and capabilities.

[Submarino](#) is an online retail platform in Brazil. In 2012 was launched [The Submarino Digital Club](#) by [Copia Interactive](#), LLC, creator of one of the largest, independent, full-featured digital content platforms.

[TEA](#), the French ebook alternative was created 2012 by [Decitre.fr](#), France's third largest online bookstore. It is an open source platform for ebooks allowing readers to purchase any kind of book on any type of e-reader.

[Tertiary Publishing](#) is a one-stop ebook and e-magazine publishing provider based in Singapore. Tertiary Publishing provides EPUB3 and Mobi conversion services from PDF, Word documents, InDesign, HTML and RTF formats.

[That's Rights](#), based in London/UK, is a provider of efficient solutions for the publishing industry, developed by Jeux de Couleur Limited (JDC Software). Their products are created by professionals from the publishing industry working together with software experts.

[Tiktakti](#), based in Israel, is a state-of-the-art ;service of building & publishing 3D digital publications from a PDF/DOC/PPT within 24 hours. Readers are able to turn pages as if they were reading a printed book, newspaper, catalog or magazine. Tiktakti works in any language Publications can be read in any browser and on any device – desktop, laptop, tablet or mobile.

[Todoebook](#) is [Publidisa](#)'s solution for selling ebooks. Todoebook is a Spanish platform designed to meet the needs of publishers that wish to market their content online in ebook format. The Todoebook platform allows publishers to sell ebooks on their own websites or through the affiliate program in some of the top online bookstores.

[tolino](#) is a whitelabel digital reading Ecosystem founded by the leading booksellers in Germany that is now deployed by a fast growing alliance of booksellers in Europe. It enables booksellers with a full scale digital reading solution to integrate a state of the art ebook offering into their existing physical sales platforms. Booksellers will not lose and do not have to share the customer relationship. tolino has a real game changing potential and more than 20 European bookselling brands are already offering tolino in 6 countries to a customer base of over 3.5m customers. Through tolino media booksellers can license the growing catalogue of digital

book media of about 1.8m titles.

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eReader

[Trajectory](#), is a Boston based intelligent network that connects publishers with its global digital distribution network of eBook retailers, libraries, school, and APP distributors. Trajectory has recently introduced a series of algorithms that are being used to address the “Book Discoverability” issue facing the publishing world by powering book recommendations, metadata enrichment and audience development. Trajectory’s Natural Language Processing Engine (NLPE) is a vibrant new system for enhanced eBook discoverability and reader engagement.

[Txtr](#) is a German ebook storage and reading service and was founded in 2008 in Berlin by Christophe Maire. Txtr offers a choice of over one million ebooks including bestsellers, free books and classics and give free access to an unlimited cloud library. Txtr operates 14 ebook stores worldwide and the company launched a store in [Denmark](#). It currently offers access to more than 2,000 localized ebooks by leading publishers Gyldendal and Lindhardt og Ringhof. It also stocks close to 500,000 English language titles from leading British

and American publishers.

[Uculture](#), launched in 2013, is a French ebook store which distributes 120,000 ebooks and 650,000 printed titles, based on the catalog of Decitre.

[Valobox](#), an UK-based start-up, was launched in 2012. ValoBox allows readers to search the text of a participating publisher's book and then buy individual chapters or pages. Publishers set an ebook's price and ValoBox splits it up, primarily based on the book's table of contents.

[Virtualo](#) is a distributor of digital publications in Poland and offers 31,000 titles, in four file formats: EPUB, MOBI, PDF, and MP3. Virtualo specializes in professional digitization of content to digital formats, distribution of ebooks and audiobooks through the distribution network and developing innovative conversion technologies.

[Vivacom](#) is a Bulgarian leader in developing modern telecommunication services to meet the highest professional standards and leading ebook distributor in that country.

[Vook](#), founded in 2009 and one of the pioneering ebook app developers in the United States, created a cloud-based ebook publishing platform, with the features **Vook Store**, personalized ebook webpages, and the ability for authors to sell ebooks via a browser reader and keep 85% of their royalties. In the beginning of 2014 Vook acquired the ebook platform **Bookrl**.

[Wheelers ePlatform](#) is a secure library-lending platform that hosts and facilitates the lending of ebook titles. Wheelers are the largest library and school supplier in New Zealand and have been in operation for more than 40 years. The Wheelers ePlatform was one of the first ebook library lending platforms for schools and public libraries in the world.

[Widbook](#) was founded in June 2012 by Flavio Aguiar and co-founders André Campelo and Joseph Bregeiro. It is an intelligent platform where new authors and readers find the opportunity to create, explore and collaborate with people their best digital content worldwide. In addition to its 30,000 members, Widbook has 1,100 ebooks already published and 6,000 currently in progress. Widbook's presence spans 200 countries with over half of its members in the United States.

[Wildfire Digital Publishing](#), launched in spring 2013, is an Austrian company, specialized on consulting services and implementation of digital publications, digital magazines and ebooks.

[Wink Store](#), launched in late 2010 is an Indian online store, offering ebooks and magazines. It is an associate of **DC Books**. In 2010, it has launched and marketed the **Wink eReader**, an eInk device, but the ebooks and the apps are available for readers to read on other devices.

[Woblink](#) is a Polish ebook platform selling ebooks on iOS, Android, PC and eInks. It offers bestsellers, multimedia books and comics.

[Worldreader](#) is a global non-profit that uses technology to bring digital books to every child and her family, so they can improve their lives. In its first five years, Worldreader has reached 2.2 million readers in 50 countries with a digital library of 15,000 local and international ebooks via e-readers and mobile phones, and plans to reach 15 million readers by 2018. To learn more visit worldreader.org.



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[Xentral Methods](#) is a boutique ICT company in Malaysia focusing on content digitalisation, web development, and motion graphics processing namely for the ebook industry. Xentral Methods operates **e-Sentral**, the biggest ebook Portal in South East Asia.

[Xeriph](#), founded in 2010, is a Brazilian ebook aggregator based in Rio de Janeiro and controls the largest ebook catalog in the country. Xeriph works with 240 different publishers and over 30 sales channels, rendering it the largest ebook distributor in Latin America. In 2013 Xeriph was acquired by media giant **Abri**.

[XinXii](#) is a global self-publishing and distribution platform for eBooks. Authors register, upload their eBook once and sell it on all leading international shops. XinXii is offering free ISBNs for eBooks through its distribution service. There are more than 15,000 authors from more than 100 countries using the XinXii services.

[YouBoox](#) is a French innovative platform on a freemium model, which enables people to come and read

whatever books they want on the iPad and on the web for free.

[YPS Publishing](#), founded in 1993, is a full range publisher based in the north of England. The company provides a complete range of publishing services for both self-publishers and established publishers. YPS Publishing helps authors focus on the most profitable opportunities for developing, distributing, marketing and selling ebooks.

[YUDU](#), founded in 2003, is headquartered in London UK, and has offices in North West UK and New York/Boston, USA. YUDU is a multi-platform publishing service using cloud architecture to enable leading publishers, brand owners, marketers and retailers to publish interactive, rich media content to the web and to any mobile and tablet device.

[Yun Zhong Shu Cheng](#), meaning "Library in the Clouds", was launched in October 2010. It is the ebook website of the Chinese company **Cloudary Corporation**.

[Yuxi Pacific](#) is an international software consulting firm, founded in 2005, to help customers leverage their existing intellectual property to create new products and generate new revenue. Based in the United States, with regional offices in both Asia and Latin America.

[Zebralution](#) was founded by Kurt Thielen and Sascha Lazimbat in 2003 as one of the first digital music distributors in Germany. Zebralution is a distributor of digital media content - ranging from music & videos, audio books & audio drama and ebooks to mobile entertainment products.

[Zeilenwert](#), founded in 2012 and based in Germany, operates as an ebook service provider. The company creates ebooks, delivers works to various national and international sales platforms, supports online and social media marketing and provides reports of monthly billing, statistics, and payment of sales.

Educational organisations

[Bitness](#), an Italian company, produces since the early 1990s digital content creation tools for educational publishers. In the last two years Bitness developed iPad apps, tablet apps and new ebook contents for **Mondadori education** and **RCS education**.

[Espresso Education](#), founded in 1997, is the UK's leading provider of digital resources to schools. Its award-winning video clips, interactive activities, quizzes and games are available for licence to publishers, ministries and educational businesses worldwide.

[Hurix](#) was founded in October 2010 and has two delivery centers in Mumbai & Chennai in India and sales offices in North America, Europe & Asia-Pacific in India. Hurix is the leading digital content solutions provider to global educational publishers and institutions. Its product and service solutions allows clients to serve students of all ages and backgrounds by providing effective, compelling and engaging digital content across traditional and newer mobile platforms, formats and devices.

[Learnetic](#) is a world leading, e-learning developer for education, based in Poland. Its products are used in over 30 countries. Today, it focuses specifically on creating and deploying new generation mobile content, authoring tools and platforms for the growing base of mobile devices.

[Oneclick](#), a Spanish company, offers solutions, products and advanced digital services for the development of the digital society of knowledge. From public to private sector by promoting strategies, solutions and knowledge management services and sophisticated training tools, e-learning and simulation, to citizens, developing educational digital multimedia content, social integrated platforms and advance solutions for training, participation and networking.

[Piron Corporation](#), founded in 2011, is a leading provider of learning technology solutions, based out of the United States and India. The e-learning company offers flexible, cross-platform and innovative technology solutions that enhance teaching and learning. Piron provides cost-effective learning solutions to individuals, schools and enterprises in more than 20 countries.

[Scholastic India](#) was set up in 1997 and is India's largest publisher and distributor of children's books. The company is in the process of converting its backlist into e-enabled books, compatible with the Kindle platform.

[Time to Know](#), was founded in 2005, with the aim of improving both the teaching and learning experience. Time To Know designed and built a holistic solution for digital education that includes tools for the creation, distribution, teaching and analysis of digital learning programs.

[WolneLektury](#) (Free Literature) is a project launched by the **Modern Poland Foundation** in 2007. This Polish school e-library is the only digital library in Poland that makes its collection available on the Open Internet in the form of the texts that are semantically arranged. The readings from this library are not only scanned text – the interactive nature of the Internet has allowed the Foundation to build in additional tools for work and study based on the texts.

Online reading platforms

Online reading platforms and communities are Internet based platforms bringing together readers and books, for commercial as well as non-commercial purposes, inviting readers to review and comment on books, and allowing publishers and authors to promote their works.

[24Symbols](#), founded in 2010, is a Spanish platform that has been created to read and share books. The site works with publishers to provide their ebooks online for free to users, who can read them right off of the app or browser. There is nothing to download, and users can skip around as they like between titles, all for free.

[Blendle](#) is a Dutch startup offering a subscription service for reading magazine and news articles.

[Deutsche Digitale Bibliothek](#) (DDB), a German library, was launched in summer 2007 and is to provide free access to books, pictures, sculptures, music and other sound recordings, films and sheet music, information on preserving monuments, virtual exhibitions, archive inventories. As the central national portal, it will eventually link up the digital services offered by all cultural and scientific institutions in Germany as a means of granting all interested parties access to the nation's cultural heritage.

[Legimi](#), founded in 2009 in Poland, offers a new approach to consume books. For a monthly fee of less than 5 euros, subscribers can gain access to a library of more than 2,000 electronic books or, for the typical ebook price, users can access as many titles as they like, sharing a business model with [Spotify](#).

[La Librairie Numérique Africaine](#) is an online bookstore devoted to the dissemination of African ebooks. It has been launched in 2014 by Nouvelles Editions NumériquesAfricaines (NENA), the pioneer of digital publishing in Africa. Its offers more than 400 ePub or PDF eBooks in all domains, copublished by NENA with about 25 other African publishers.

[Libranova](#) is a Polish promotional platform for ebooks and digital reading.

[Nubico](#), a Spanish ebook subscription service, was founded by Telefónica and Círculo de Lectores in September 2013. A few month ago Círculo de Lectores (an initially 50:50 joint venture between Planeta and Bertelsmann, with Planeta recently taking full control). Nubico provides subscriptionbased access to thousands of ebooks from major Spanish publishing houses in Spanish, English and Catalán.

[Skoobe](#), launched in 2010, is a German consortium led by Bertelsmann and Holtzbrinck that specializes in lending ebooks as a "mobile library" via an app in the Apple App store or from Google Play. Skoobe is currently lending 150,000 ebook titles from over 400 publishers at a monthly fee between €9.99 and €19.90.

[Yindo](#) is a Dutch ebook provider that expanded 2011 their services to include a new subscription plan. For a flat monthly fee, users can borrow up to a limited number of ebooks at a time.

Advertising in the eBook Yellow Pages

The eBook Yellow Pages invite companies and organizations dedicated to ebooks and digital publishing to advertise their services in a special section.

This new section provides an overview of relevant players across markets, and supports the research and dissemination of the Global eBook report.

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Register by email today to Julia Coufal at ebookYP@wischenbart.com, or check for more details at www.global-ebook.com.

Part 7: End matter

Appendix

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