

Discoverability and Metadata are now firmly entrenched into our lexicon – DN/FW

Used Sony analogy and music VS Apple.

New period limited only by tradition and fear.

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Mike's presentation:

Tech was once the province of the production dept, now it impacts all part of the biz.

Big challenge: Deliver better metadata to help your book sales. (eg., Cookster)

Pricing used to be 'set it and forget it' – it's not any more. Constant adjustment must take place in the digital marketplace.

XML workflows intro'd in many houses to create efficiencies. Do more: store links to sources and resources. Much research is routinely lost, but w/ XML no more

Customers are increasingly the 'coin of the realm' for publishers.

Publishers need to be audience-centric, not book centric.

For every subject you publish often, you need instant access to relevant influencers.

Costs of experimentation (enhanced eBooks) is going down.

Scale still helps, but isn't the prerequisite for success.

FORRESTER PRESENTATION:

State of the industry: Nook gives away free ereaders.

25 million own an eReader – 34 million have a tablet (including 5m w/ Fire)

15% of sales coming from digital.

Amazon will publish 400 titles this year, NBC Uni coming into the space.

40 million will have eReader and 61m will have tablet.

STUDY:

Only 47% vs 66% in 2011 "will read more"

28% execs (vs 51%) say "company will be stronger in the future"

75% have exec-level person in charge of digital

63% digital skills integrated rather than centralized.

75% published apps and say the costs are too high. Only 19% say apps will change books.

54% say print will decrease and only 5% will decline significantly

EBook sales expected to increase 130% this year and Amazon takes 41% this year

CEO's VIEW:

Even with the 15%, in categories like Art, print went up a lot last year

Dom: People that used to not care about books are reading again!

3 year horizon – what is the future of publishing:

- Ellen – how exciting it is that the book is now elastic and dynamic. In 2009 she got a call from producer on TV show (Castle) and the producer had idea for character to publish a book... - Looking for partnerships to increase discovery.
- Dom – excited about the ability to really craft immersive reading experiences. That moment you go really deep into a story. Can bring authors level of content development and marketing they can't achieve with free-lancers.
- John D Yale – Digital archives are being developed for historical eg., Hitler and now via digital platform you can search by color.
- Ingram – Who pays for digital? What are services we can provide FBC that can free up capital for publishers to invest in other things? = Big tug of war between relevance and profitability and John sides with relevance.
- Dom – Build community before book is published for content/marketing = low hanging fruit goes away fast, if it's easy, get out! – **Digital is everybody's job!**
- Ellen – lots of cross training, only 58 people. Bringing in speakers to make it 'less scary'.
- ? Publishers moving into e-commerce? Dom – yes, building a platform. Ellen has a hard time believing that consumers will buy from publishers EXCEPT in the case of Disney.
- Ingram – Print on demand is the future for publishers. It's accelerating. They have a tool Vital that measures student interactivity with chapters to measure quality, etc.
- Dom – the book isn't an end-point, it evolves over time. Ellen: Maybe there is a subscription model. **We must train the reader to think differently about this elastic book.**
- John D – cannot criminalize our customers RE piracy.
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Kelly Gallagher Report on Consumer eBook Adoption:

- Only long term trended study about where the consumer is going.
- Buy the report at BISG. Last year, digi books hit the hockey stick.
- Last year, predicted as high as 40% adoption. What we actually found was incremental, not exponential growth. Finished at 17%.
- When will other genres, than fiction, finally get moving?
- Who are the power brokers to sustained growth? Power buyers – buy 4 books a month.
 - Print: Power buyer = 22% of book buyers in population, drive 50%+ of sales
 - Digital: = 35% of buyers by pop and drive 60%+ of purchase
- How well are print power buyers converting to digital: 7-12 months they shift. They are single device eReader focused (other than tablet, etc.) – tablets gaining ground.
- What's keeping power buyers from buying more? Inability to share (DRM) after reading.
- 74% book buyers in study never bought an ebook. AND 14% have a tablet or eReader but never used it. (BN admits 8% of Nook buyers never use them.)

- conversion from print to eBook in power buyers showed in '11 ... beyond early adopters, what about the late majority.
- #1 impediment to conversion is price of eReader – the best price? 27% say “I’m not interested, not going to do it – 14%.
- 75% of parents have never bought an eBook but 56% made it their new year’s resolution – which will trigger kids.
- Kids 7-12 are the fertile ground for digital reading adoption. They have the devices.
- Teens reading ebooks (first time) has tripled in '11 – Apple = format of choice
- On tablets, reading going down because of apps/games, etc.

JIM HILT: VP ebooks at BN:

- 2011 was all about the device. 2012 the conversation will change beyond the device and to ‘the value of content’.
- What booksellers have always done well is what we should continue.
- Evolution not a revolution. Not everybody is reading an eBook.
- Buying behavior changes how books can be marketed. Display size limits key.
- Multiple channels creates an opportunity. – Customers love the print book in the stores, then buy a digital copy (or both). Data says that having multiple channels for consume/sample content critical to capture power buyer. – Multi channel customers buy 300% more!
- It’s a fallacy to say that people will stop buying print (eg., I love Clancy in print, as a collector, but I don’t want to wag it to the beach).
- Info makes better books – is page 40 killing the book? Over time, the data will allow for books to be ‘fixed’ or even improved over time.
- Info collab = the future of book selling (suggesting open source)? – He’s suggesting co-opetition!

ROMANCE PANEL:

Ebooks should have their own pricing structure and not tied to the print editions.
 Readers are very sensitive to ‘price vs length’
 .99 books isn’t a business model, it’s a promotional opportunity
 Readers have to guess length of book based on file size (yikes!)
 17% of romance buyers buy directly from publishers.

Romance readers not willing to pay for bonus content (trailers, interviews, etc.) because it’s all available at author’s web site.
 52% unaware whether or not there is DRM. 21% resist DRM (want to print or don’t want to download software). 69% ‘just don’t like the idea of restricting DRM’

Authors not clamoring for DRM free product.
 Readers are inherently honest. Those that ‘steal’ thought they were being driven to publishers site, when they went to pirate sites. Sometimes, publishers fail to achieve easy-to-buy distribution, so piracy is the only access.
 DRM drives people to the pirate sites (no software required)
 Some authors love to self-pub as a writer, but hate the release/marketing cycle.
 2010 ISBNs – 70% = self-published. Not many success stories for all that volume.

Self-publishing has pushed us into the age of transparency~

24 out of 25 ebooks not sold via the major publishers. If 96% of sales is coming from elsewhere, this is mind-boggling? Mike Shatsky wonders how all that business can pass NY by?

DIGITAL FIRST PANEL DISCUSSION:

Liate Stehlik, Scott Waxman, Jeff Sharp, Richard Curtis, David Wilk (mod)
Richard founded ereads, a pioneering company (fantasy, sciFi and romance)

Liate - Digi First VS Trad = new way to work with consumer (much more direct relationship than the retail model.)

- They hired a data analytics person to perform 'marketing work'
- Authors are going to get more creative (eg 4000 word essays) and our job is to use format choice as a way to work with them – when it's out of trad'l structure.
- **Global release is a big win for Ebooks. With print, can't do that!**
- **We use eBooks @ .99 to drive print purchase later**

Scott: your author needs to come w/audience, publishers have a hard time building up the base to allow effective communication with potential buyers. Platform = key. In fiction, work with etailers (daily deal, etc.)//non-fiction work with platform.

- POD = service to the customer, not a business model.
- Trad'l plus social media = most powerful combo
- Doing deal with Sports Illustrated to curate content (like he did w/ Cuban)
- Changed covers on non-selling books and saw big sales lifts
- Pricing is a collaborative process with the author (really?)
- Big gap between books that work and those that don't

Jeff Sharp: Can be risk with partners on efirst vs trad'l. Try to package film-makers to a project for screenplay, etc. Instead of digital first, Open Road calls them eOriginals.

- Have an author doing book, music, ghost ink, etc. to try different things to market their book and help it break through. Only open road can facilitate this.

Richard Curtis: Today, print is optional. If trad'l publishers stop print, they will lose their identity. Also, trad'l publishers are at a disadvantage to indies and authors. POD is still a form of digital publishing, there's just a tangible product!

- genre publishing really helps for eFirst (discover) – tapping into common fan base. Much like romance.
- total costs of releasing an ebook = \$1500. They take in \$4, pay 50% to authors. Over the year, we'll make 2400 or so (modest profit).
- Translator fees outstrip potential revenue right now (*yeah, but what about crowd or fan sourced translations?*)

SOCIAL FUTURE OF THE BOOK PANEL:

- Adam Salomone/Harvard Common Press
 - Authors are the gravitational center of the book (via community)
 - Think of ebook social like you do social in the real world (not asynchronous annotations – do a live event with the book, and that’s really social)
 - Social reading experience allows conversation between author and reader without the reader feeling like they are being marketed to.
- Sol Rosenberg/Copia
 - Authors can refresh their books and sell them again
 - Author doing an in-book author chat where they respond to annotations/?s
 - measuring which devices readers are using, where they mostly comment, etc.
- Sanj Kharbanda/Houghton M
 - At the end of the day, it’s about tools that enhance the reading experience. If social doesn’t do it, then it won’t work.
- Travis Alber/Read Social (Mod)
 - Allow reader annotations in eBooks (what about improvements?)

AWARENESS MARKETING PANEL:

Rick Joyce, Perseus:

- Turn Here has free lancers that can do a book trailer quick and cheap.
- With all marketing tools, you have to ask, “what’s the point?”
- Biggest bang: Big Publicity Hit and the Author’s Platform. Publishers are looking to invest in developing reach of Author’s platform.
- Everyone’s a marketer now in publishing. Only way to start early and stay late.
- We need analytical capabilities – eg metadata, SEO, etc. optimize PR Web/SEO
- Little things add up, but they cannot replace the ‘big-hit’
- New stuff to master: Social media monitoring for example. If there is a big conversation going on, sort through it via relevance and influence and join it to introduce your book to it: Saddle up and ride to the sound of the gunfire.
- Every day I get a call from a startup that has a twist on discovery and marketing services. That means that we are a growth engine for tech! (or, it means that you are part of a disruptive innovation process)

Liz Perl, Simon and Schuster:

- blogger is no different than journalist, radio etc. So we are reaching them the same way as traditionally. Also building out social properties (FB pages).
- Fatigue sets in because of all the stuff (eg book trailers), so they don’t work anymore.
- Your marketing tool is only as good as the marketing you do for it to be discovered! (eg, trailers)
- Our spend has shifted from printed cateloges to more B2C marketing like social.
- More than ever, we work with authors to build their brand for the next book.

- Pre-Orders are a big part of the campaign. Generates awareness prior to on sale date.
- Some things that didn't work initially like QR may come around later. Don't throw the baby out w/ the bath water.
- I like to hire people that worked in food services (LOL) Just because you are active on FB doesn't mean you will be a good marketer. Curiosity is what I value most (Katie Stark agrees, adds "and being a passionate reader")
- Can't just put a stack of 25 copies in every book store, so we have to focus on marketing and be patient.

Kate Stark, Penguin:

- Videos don't work if they aren't strong in content or concept. Sometimes, like with the Stephen Johnson book, they really work --- 1.5 million views.
- If an applicant has video editing skills...sign them up!
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