The e-book phenomenon in Sweden

Elena Maceviciute
Tom Wilson
University of Borås
Emergence of the e-book

The idea of a portable device for non-print books dates to the 1930s when Bob Brown proposed a reading device and orthographical changes that would enable him to read "hundred-thousand-word novels in 10 minutes if I want to" (Brown, 1930)
Emergence of the e-book - 3

  - Rocket E-book
  - SoftBook Reader
Emergence of the e-book - 4

♦ In about 2006-2007, the e-book phenomenon began its initial take-off stage, because of:
  ♦ The emergence of smart phones as e-reading devices.
  ♦ The availability of the iPad – also used for e-reading.
  ♦ Perhaps most significant, the production of the Sony e-reader, possibly the first to have significant sales.
The growth of the e-readers

Figure 6 Drivers Of Growth For eReader Devices And Content

- **2007-2009** Early adopters drive the market
- **2009-2011** More mainstream frequent book buyers adopt eReaders
- **2011-beyond** eReaders reach a wider market of students and business consumers

- More brands appear
- More content available
- Animation
- $99 price point
- $199 price point
- Full-frame video available
- Color available
- More wireless devices

Source: Forrester Research, Inc.
The "small language" phenomenon

- Most of the recorded growth in demand for e-books and e-readers comes from the USA and, to a smaller extent, other parts of the English language market – the UK, Canada, Australia, for example.

- Where English is widely understood and/or used in everyday life, there has also been growth, e.g., in India.
The 'small language' effect

No. of new titles per million population

The Swedish situation

♦ Population – approximately 9.5 million

♦ Publishing – dominated by the ’big four’ – Bonnier Group, Norstedts, Natur & Kultur, and Piratförlaget

♦ These four publishers cooperate to deliver e-books to libraries (and for sale) through the eLib platform

♦ Libraries account for 85% of e-book sales (or rather downloads) in Sweden – and for a significant proportion of printed book sales.
<table>
<thead>
<tr>
<th></th>
<th>E-books in total (9%)</th>
<th>E-books fiction (6%)</th>
<th>E-books non-fiction (5%)</th>
</tr>
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<tbody>
<tr>
<td>Never</td>
<td>91,4</td>
<td>93,7</td>
<td>95,2</td>
</tr>
<tr>
<td>Once during last 12 months</td>
<td>2,5</td>
<td>2,2</td>
<td>1,2</td>
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<tr>
<td>Once during last half a year</td>
<td>1,2</td>
<td>0,9</td>
<td>0,7</td>
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<tr>
<td>Once in four months</td>
<td>1,2</td>
<td>0,9</td>
<td>0,8</td>
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<tr>
<td>Once a month</td>
<td>1,4</td>
<td>1,1</td>
<td>0,7</td>
</tr>
<tr>
<td>Once a week</td>
<td>1,4</td>
<td>0,7</td>
<td>0,9</td>
</tr>
<tr>
<td>Several times a week</td>
<td>1,0</td>
<td>0,7</td>
<td>0,5</td>
</tr>
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The role of libraries

- Libraries are disadvantaged by the rise of the e-book, simply because they do not really own them – they can only lease access. Purchasing of the titles has its limitations similar to the leased ones.

- Our study of Swedish public libraries (which must pay 20SEK per user loan from eLib) suggests that the most significant problems were ...
Problems for libraries

- Uncertainty of access – books can be withdrawn from eLib without notice or an embargo can be instituted on popular titles.

- Uncertainty in budgeting – the 20SEK charge means that cost depends upon unknown demand. Resulting in libraries terminating access to e-books before end of financial year.

- Inability to select – libraries must take what is offered and lose their professional responsibility for selecting appropriate material for readers as well as retain them for posterity.
The bookseller

- The numbers of high-street booksellers is in decline in the USA and the UK and, to some extent, in Sweden also. Mainly, through the possibility of buying paper books online.

- The bookseller is not an essential link in the e-book distribution chain – a pilot study in Sweden has shown that only 1 of 11 responding book sellers sells e-books so far.

- This suggests that booksellers must die or diversify—and some are now doing exactly that, bringing them into competition to some extent with the wider social roles of public libraries or other traders.
The publisher’s perspective

- We recently completed a census of all members of the Swedish Publishers’ Association and the Nordic Independent Publishers’ Association. The response rate was 55% - with the smaller publishers tending to be the non-respondents and with a 50/50 split between those publishing and not publishing e-books. The results suggest a degree of ambivalence on a number of issues related to e-books.
Direct selling

- 52% of publishers selling e-books (25) said that they sold directly to the consumer.

- BUT only 12 responded to the follow-up question on the benefits of doing so – 8 saying that the chief benefit was increased sales, and 6 that it gave increased knowledge of readers’ preferences.
Self-publishing

- Self-publishing has little relevance for the publishing industry
- Self-publishing can help to identify new authors
- Self-publishing forces us to market products more actively
- Self-publishing is a threat to our market position
- We need to develop our own self-publishing channel
Role of the bookseller

- **Bookshops will continue to be sales outlets for both e-books and printed books.**
- **Only online bookshops will sell e-books.**
- **The role of the books shop will decline as e-book sales increase.**
- **Sales of e-books will increasingly shift to direct sales from publishers to readers.**
Relations with libraries

- E-books should be sold to libraries on the same basis as printed books.

- E-books should be allowed to be loaned for a limited number of loans.

- E-books should be priced higher for libraries than printed books because of the possibility of an unlimited number of loans.

- E-books should not be made available to public libraries.
The author’s view

♦ A pilot study of the authors in Lithuania and Sweden suggests that younger authors are generally more receptive to the potential of e-books and are more flexible in their views on most of the e-book issues, while older authors tend to be more conservative – but not always, e.g., an older author comments:

♦ “I have agreed to publish an e-book as this format may attract more younger people. I imagine that the community reading digital books is young and modern. So, I was very glad that my book has got this opportunity to exist in a different way.”
Conclusion

- The e-book is currently *disrupting* the publishing scene and it seems likely that it will continue to do so.

- On the most *pessimistic* analysis, booksellers are most likely to be adversely affected as e-books and online bookselling take over.

- From the publishers’ perspective also, self-published e-books might constitute a threat, though they are able to sell self-publishing services to the authors.
The library situation is also fraught – low-priced, self-published e-books, bought online, will change readers’ behaviour, reducing demands on libraries.

Access to e-books is also problematic, with publishers limiting access and with e-book delivery platforms restricting the professional functions of librarians, e.g. preservation.
“It is difficult to prophesy, especially about the future.” (Danish saying, attributed to Robert Storm Petersen)

But – in some form or other it seems likely that the e-book, and, probably even more so, newer reading devices, will continue grow in significance in the publishing sector.

HOW things will be affected is difficult to be sure about, but it is interesting to watch and investigate what happens.
Acknowledgements and info

- We acknowledge support of the Swedish Research Council financing the project "E-books impact on small language culture"

- Blog "The e-books research project" on http://projectebooks.wordpress.com/ reports the activities and events

- Flipboard news magazine "News on e-Books" has over 31,000 subscribers

Which e-book format is the best? From marketingprofs.com