Print in Digital, Print to Digital: The Future of Publishing in the Digital Environment

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Presentation Topics

- What are the core challenges to publishing?
- Will publishing survive the digital transition?
- What business models are developing?
Key Messages

• Publishers continue to serve the public interest, in particular in the digital age

• Public policy should support the digital transition of the publishing industry, where appropriate
Three Challenges

1. Technology
2. Business Model
3. Public Policy
Technology

- Digital production
- Rights management
- Standards development
- Digital consumption
• Incremental cost of information
• Free culture ... in some sectors
• Ad market too small
• Can publishers follow the money?
Public Policy

• Public Policy decides whether a local publishing industry exists
  • Technology euphoria
  • Technology misunderstanding
  • Complacency on enforcement
  • Lack of understanding of publishing
What Publishers Do

Publishers

- Identify needs
- Take investment risk/risk of failure
- Commission content
  - Find talented authors
  - Develop/train authors
- Produce work
  - Clear rights, additional artwork
  - Create layout/design
- Reproduce
- Sales and Marketing
- Organise distribution
- Train staff/Develop skills
- Pay taxes/VAT/social security

Publishers build a longterm business
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Publishers build a longterm business

Pirates
- 
- 
- Reproduce
- Organise distribution

Fast money, no sustainable business
Publishers provide

- Context
- Quality
- Authority
- Ease of use

What do I need to know now?
Is it true?
Who says so?
Can you explain that to me so I can understand it?
1. Scholarly Publishing
2. Higher Education
3. Education (K-12)
4. Trade publishing
Scientific journals

- Digital transition complete*
- One global market
- Subscription model
  - Move from personal to institutional, consortium, national subscriptions
- Open access model growing
- New added value services
Textbook market

- Both global and local markets
- Digital transition ongoing
- Challenges:
  - Piracy
  - Course packs
  - Distance learning
  - Pricing
Some home truths:

- Education requires local content
- Educational publishing requires special skills
- Competition drives quality
- Competition drives innovation
- Educational publishing is the seed bed for all other publishing

There is a public interest in a healthy local educational publishing industry
The digital transition: Many false starts

- Learning machine
- Multi-media CD ROMs in textbooks
- Laptops in high schools
- 100$ laptop

- The latest: California initiative
Business Model

Student buys, school buys, state buys, ...nobody buys?

- Where does the content come from?
- How do you create a competitive environment for content?
- Creating a digital market place ... or making do with free content
- Educational exception debate
When will we go digital?

Paper benefits
- Cheap
- Robust
- Convenient
- Compact

Digital benefits
- Infinite quantity
- Globally accessible
- Updatable
- Multimedia enabled
- Customisable
“Different horses for different courses”

E-Books will replace traditional books

- During travel/commute
- Where “more IS more”
- Where content must be up-to-date
E-Books

Replacing traditional books

• Adding value:
  – Text and speech
  – Customisation

• New Medium:
  – Immersive literature
  – Interactive reading
  – Multimedia
  – Communicative/social literature
  – Who knows????
Business Models

Who pays?

• Author pays
• Sponsor pays
  – Government
  – Advertiser
  – Third party
• Consumer pays
### What gets published?

<table>
<thead>
<tr>
<th>Payer</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Author pays:</td>
<td>vanity publishing</td>
</tr>
<tr>
<td>Government pays:</td>
<td>public interest</td>
</tr>
<tr>
<td></td>
<td>political interest</td>
</tr>
<tr>
<td>Sponsor pays:</td>
<td>sponsor interest</td>
</tr>
<tr>
<td>Consumer pays:</td>
<td>What (paying) customers want</td>
</tr>
</tbody>
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A successful model

- Demand driven
- Efficient
- Creates quality
- Creates diversity
Cultural Flat Rate

Works only

- for commoditised cultural goods
- or as secondary income
The Perfect World

- Many-to-many automatic transactional clearance
- Easy to find, easy to use, easy to pay
- Copyright issues disappear from sight
Business Models

Following the money:
• ISPs charge their customers
• Search engines are high profitable
• Why does B2B work?
  – Accountability for online actions
Government should

• Calmly decide where to support/initialise the digital transition
• Ensure publishing markets develop
• Support the local educational publishing industry
Thank You

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