

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

International
Publishers
Association



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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



Business Models

- 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?**



Digital Transition

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



Education

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



Trade publishing

„ 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?

Author pays:

vanity publishing

Government pays:

public interest

political interest

Sponsor pays:

sponsor interest

Consumer pays:

What (paying)

customers want



Consumer pays

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/initiate the digital transition
- Ensure publishing markets develop
- Support the local educational publishing industry



Thank You

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