



Overview of eBook Market:

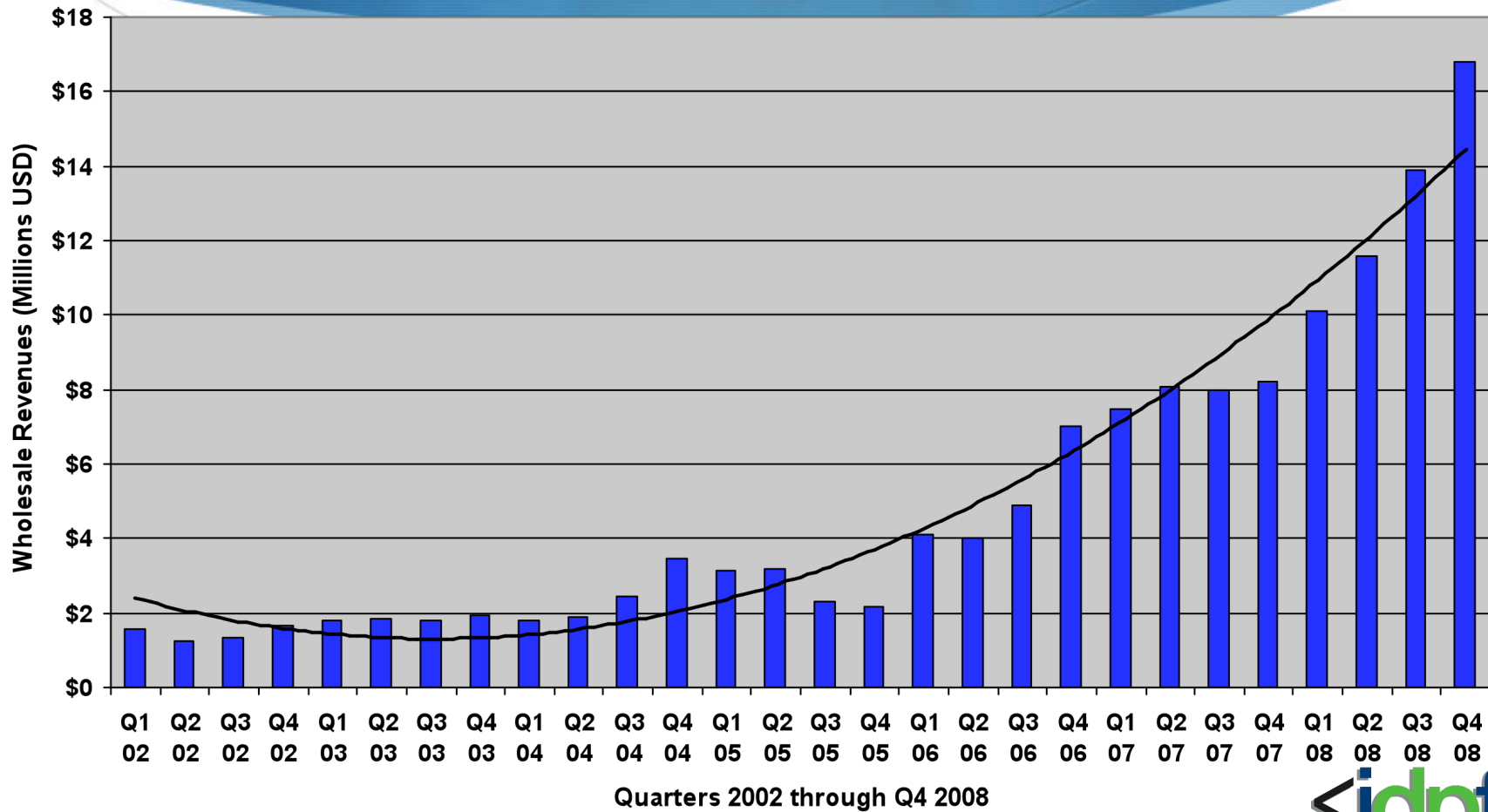
International Digital Publishing Forum

International Trade and Standards Organization
for the Digital Publishing Industry



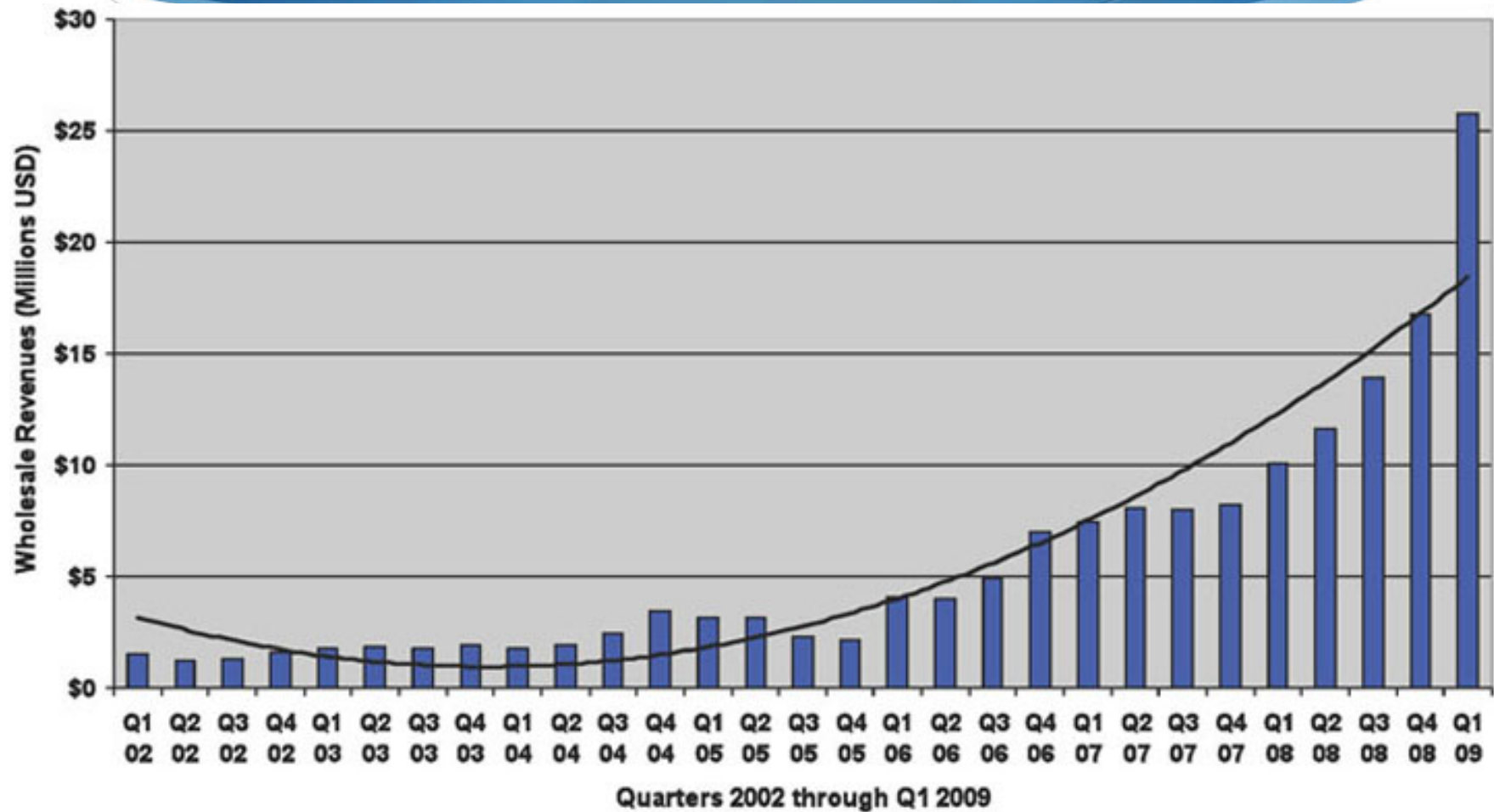
2008 Trade Wholesale Statistics eBook Category

Calendar Year to Date + 68.4%

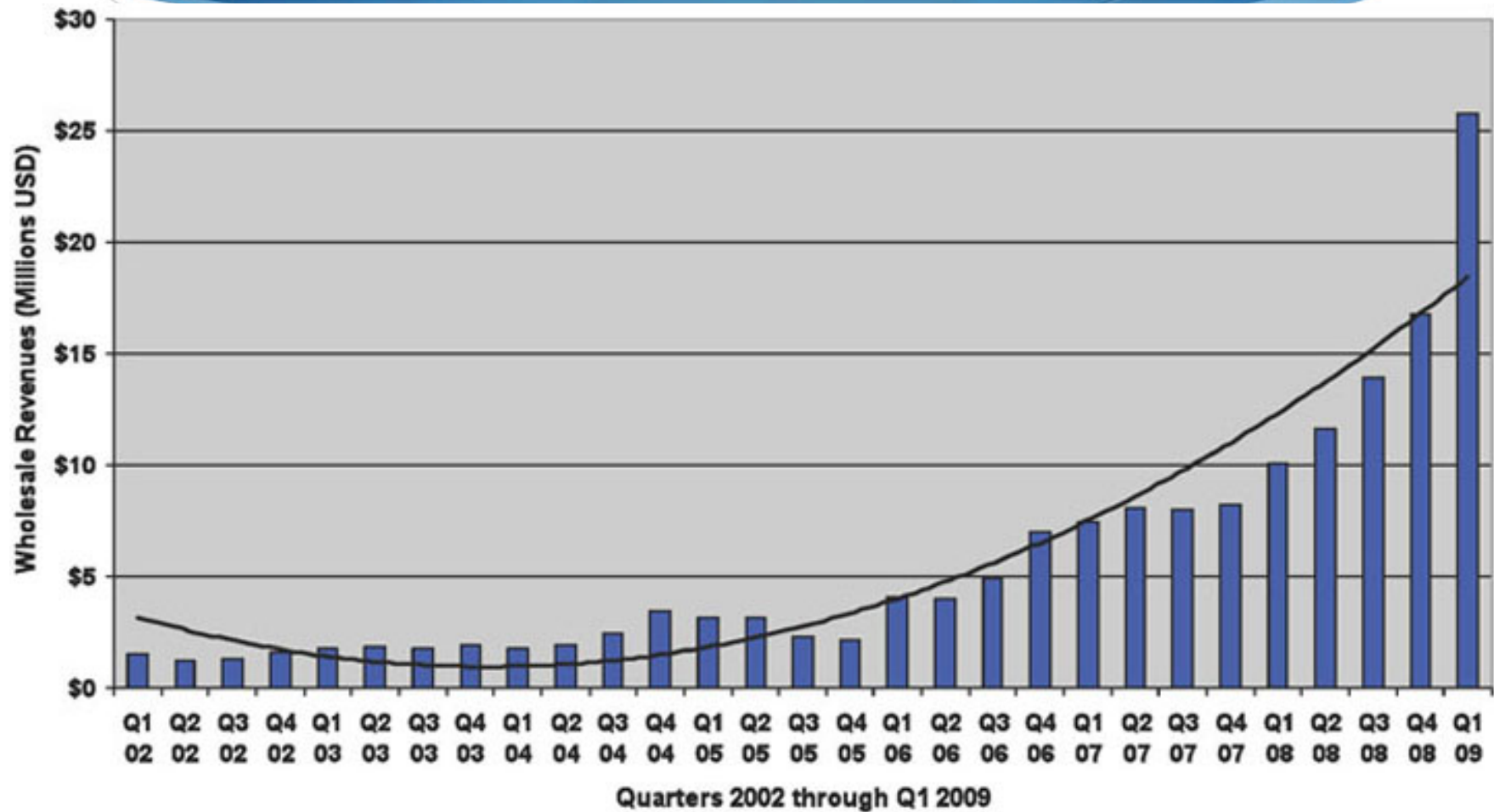


Q1 2009

\$25,800,000



April Wholesale Trade **+228%**
\$12,100,000
Calendar Year to Date **+ 155%**



Last 150 Days in eBooks

- 🟡 Feb 5 – Google Book Search for iPhone and Android
- 🟡 Feb 9 – Amazon Kindle 2 Launch
- 🟡 Feb 16 – Adobe Reader Mobile SDK 9
- 🟡 February 25 – Indigo Shortcovers launched
- 🟡 March 4 – Amazon Kindle for iPhone Launch

Last 150 Days in eBooks

- ◆ March 5 – B&N acquires Fictionwise
- ◆ Project Gutenberg conversion to EPUB reaches 20,000 titles
- ◆ March 11 – Sony Reader launch in Germany
- ◆ March 17 – Sony and Google partner to release 500,000 Public Domain EPUB Books
- ◆ March 25 – Pragmatic Programmers EPUB

Last 150 Days in eBooks

- ◆ March 30 – EPUB Bootcamp
- ◆ Apr 2 – News Corp confirms looking into investment in company specializing “eReader Technologies”
- ◆ Blackberry App Store opening up
- ◆ Apr 17 – Random House Announces will be first to put books into Blackberry App

Last 150 Days in eBooks

- ◆ Apr 17 – O'Reilly begins to sell DRM Free titles on Amazon Kindle
- ◆ Apr 22 – Penguin signs English eBook distribution with China
- ◆ Penguin +700% first quarter of 2009 vs. Q1 2008
- ◆ April 27 – Amazon purchases Lexcycle (Stanza Reader for iPhone)

Last 150 Days in eBooks

- ◆ April 28 – B&N/Fictionwise add EPUB to Multiformat Titles
- ◆ May 6 – Kindle DX Reader announced
- ◆ May 12 - New Cybook update announced with EPUB support
- ◆ May 14 - Cool-er Reader released with EPUB Support?

Last 150 Days in eBooks

- ◆ May 15 – New BeBook Reader released with EPUB Support
- ◆ June 2 – Google Sets Plans to Sell eBooks
- ◆ June 7 – EPUB Zen Garden launched
- ◆ June 9 – California to scrap school textbooks in favor of eBooks
- ◆ June 12 – S&S to sell eBooks on Scribd.com
- ◆ June 15 – ePubBooks.com goes live

Fionnuala Duggan
Director
Random House Group Digital



Today

Snapshot of ebook activity

First six months lessons

New developments

General thoughts



Snapshot of UK ebook activity

New ebook list September '08 - previously dormant

Sony Reader/Waterstone's launch

~1,000 titles: goal 2,500 by end '09

All EPUB & PDF: commercial decision

Frontlist / backlist mix about 50/50

Simultaneous publishing 90% of the time



First six months - production

EPUB was new to our conversion house (and us!)

Quality control

- high failure rate to start, improving
- quality control is a skilled job

Sony Reader software emulator, validation tools needed

Constantly reworking workflow for greater efficiencies

EPUB User Group (UK)



E-BOOK PUBLISHING

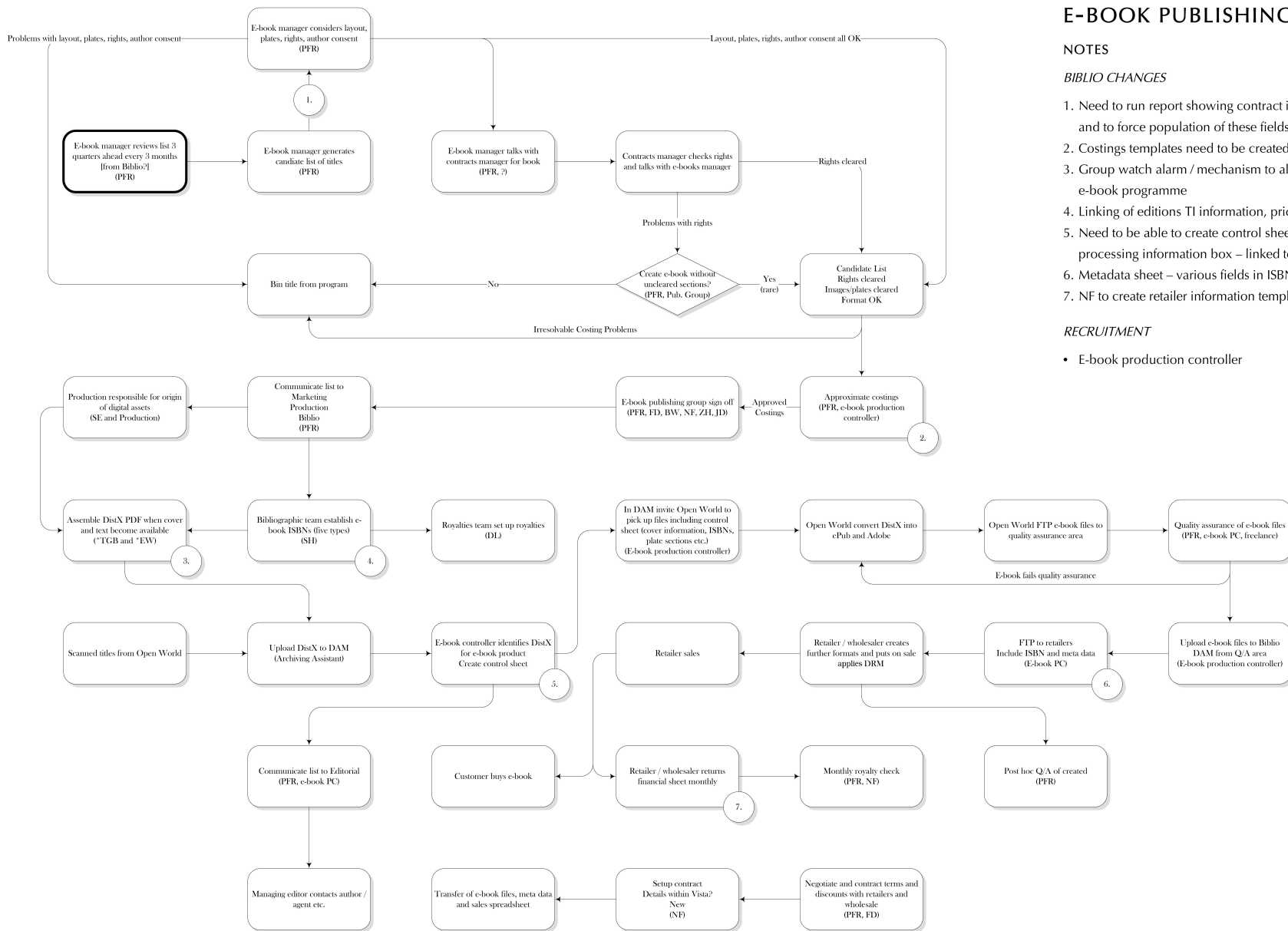
NOTES

BIBLIO CHANGES

1. Need to run report showing contract information, layout and image information and to force population of these fields
2. Costings templates need to be created
3. Group watch alarm / mechanism to alert production to arrival of assets of titles in e-book programme
4. Linking of editions TI information, price etc.
5. Need to be able to create control sheet including ISBN per format in a column, processing information box – linked to all editions
6. Metadata sheet – various fields in ISBN per format in column etc.
7. NF to create retailer information template

RECRUITMENT

- E-book production controller



First six months – commercial

Generally very positive

Sales exceed expectations and continue to grow

Big Xmas Day sales peak

New retailers and wholesalers coming online

New entrants from all side, plenty of innovation



Sales Activity By Day

1-31 December 2008

Date	Purchases		
12/1/2008	73	646.76	402.78
12/2/2008	63	517.76	348.25
12/3/2008	67	498.96	335.60
12/4/2008	57	445.54	299.67
12/5/2008	54	500.25	336.47
12/6/2008	52	427.74	287.70
12/7/2008	95	777.95	523.25
12/8/2008	62	481.17	323.63
12/9/2008	86	708.43	476.49
12/10/2008	119	974.68	655.57
12/11/2008	117	913.36	614.33
12/12/2008	93	796.71	535.87
12/13/2008	140	1,031.77	693.97
12/14/2008	185	1,381.97	929.52
12/15/2008	111	866.13	582.56
12/16/2008	136	1,062.15	714.40
12/17/2008	131	1,025.84	689.98
12/18/2008	109	902.71	607.17
12/19/2008	126	996.70	670.38
12/20/2008	169	1,441.01	969.22
12/21/2008	154	1,198.47	806.08
12/22/2008	159	1,235.91	831.27
12/23/2008	142	1,217.34	818.78
12/24/2008	172	1,357.97	913.37
12/25/2008	934	7,549.38	5,077.71
12/26/2008	1,117	8,897.90	5,984.73
12/27/2008	591	4,703.54	3,163.60
12/28/2008	467	3,759.07	2,528.36
12/29/2008	428	3,459.21	2,326.67
12/30/2008	392	3,170.53	2,132.50
12/31/2008	277	2,232.41	1,504.06



New developments: ebooks direct

**Ebook sales from our Random House sites:
rbooks, authors sites, mini-sites etc**

Using Adobe Content Server ACS4



New developments: Book & Beyond

Launched April 2009

Enhanced ebook list: audio, video, games

A first step to tease out challenges

Authors include: Jacqueline Wilson, Marcus Zusack, Misha Glenny, James Patterson

iPhone compatibility in development

www.bookandbeyond.com



What is Book and Beyond?

Dig deeper into the Random House ebook list with Book and Beyond, our selection of enhanced ebooks. Created in collaboration with authors, these ebook extras include audio and video shorts, interviews, and games, all of which complement the books.

Book and Beyond extras increase the size of an ebook file, up to 300 times the size of a regular file, and are designed to be viewed on screen using [Adobe® Digital Editions*](#), not on the Sony Reader or other ebook devices.

* This is free to download from the Adobe site and available for both PC and Mac users.



The Book Thief
by Markus Zusak
RRP £16.08



READ MORE



Friends Like These
by Danny Wallace
RRP £13.78



READ MORE



McMafia
by Misha Glenny
RRP £10.33



READ MORE



My Sister Jodie
by Jacqueline Wilson
RRP £8.03



READ MORE



Tricks Of The Mind
by Derren Brown
RRP £10.33



READ MORE



Nothing To Lose
by Lee Child
RRP £9.18



READ MORE

On the horizon...

Interoperable DRM - consumer experience?

Territoriality

Consumer expectations, including...

- format innovation
- multimedia/connectivity
- everything as an ebook

Devices

- multiple / single purpose

Piracy



What is EPUB?

- ◆ EPUB is an XML-based file format designed to reflow text according to screen size
- ◆ Based on open standards
- ◆ Non-proprietary

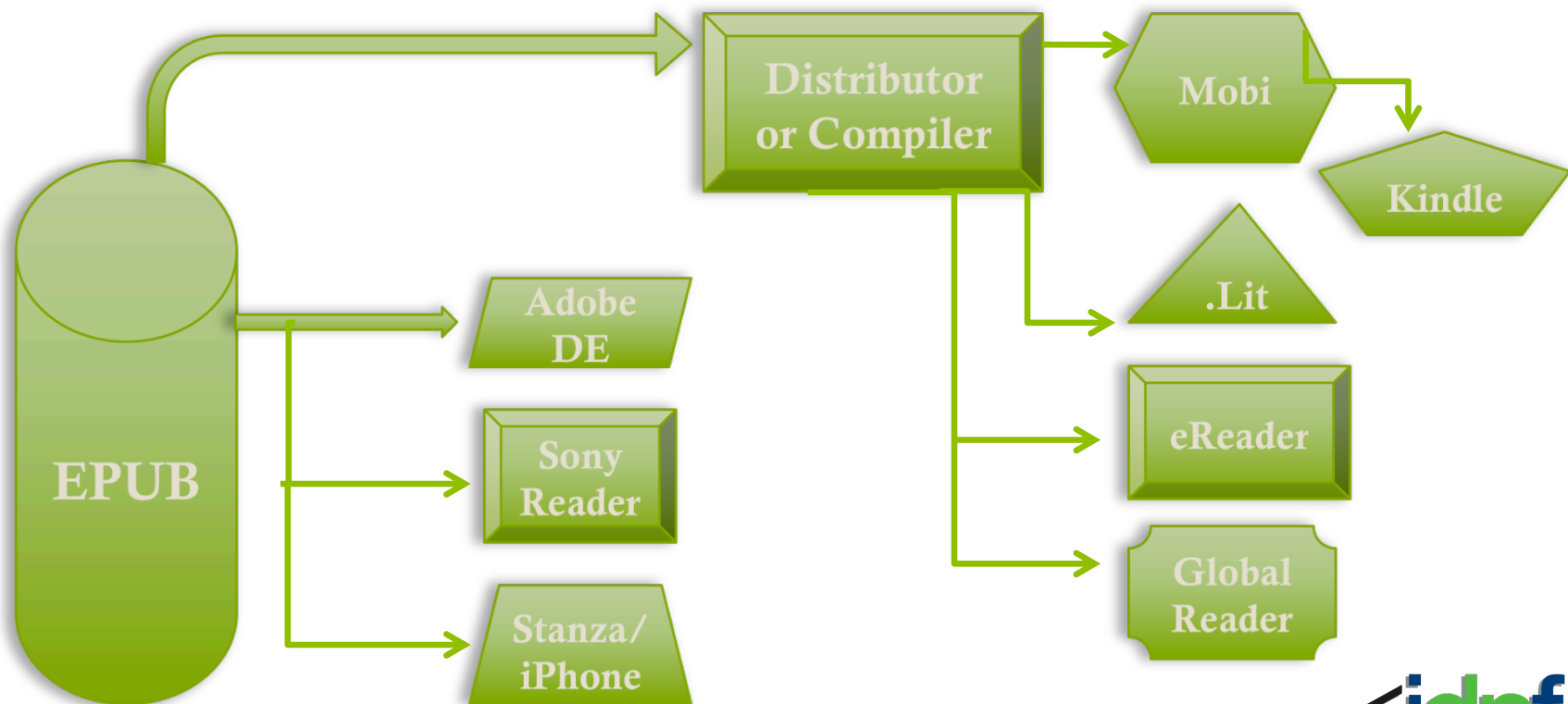
How does EPUB help the Publisher?

- 🔹 Publishers can reduce costs of conversion. Create EPUB only and send through distribution channels
- 🔹 Format Management
- 🔹 More content available for consumer

EPUB Workflow Realities Ahead

- 🟡 EPUB adoption and implementation is taking place...not without challenges
- 🟡 Distributors are receiving EPUB and converting to other formats as necessary

EPUB: Into Supply Chain



European: EPUB support

- ◆ Random House
- ◆ HarperCollins
- ◆ Penguin
- ◆ Simon & Schuster
- ◆ Pan Macmillan
- ◆ Mills & Boon
- ◆ Waterstones
- ◆ O'Reilly Media
- ◆ Oxford University Press
- ◆ Cambridge University Press
- ◆ Gardners Books
- ◆ Taylor & Francis
- ◆ Value Chain International
- ◆ WHSmith
- ◆ and more to come...

Supply Chain: EPUB support

- ◆ Adobe
- ◆ OverDrive
- ◆ DNAML
- ◆ LibreDigital
- ◆ eBook Technologies
- ◆ Publishing Dimensions
- ◆ VitalSource Technologies
- ◆ Innodata Isogen
- ◆ Libri.de Internet GmbH
- ◆ Ingram Digital
- ◆ Aptara
- ◆ TexTech
- ◆ codeMantra
- ◆ Mobipocket
- ◆ Digital Media Initiatives
- ◆ Smashwords
- ◆ and many more...



EPUB Readers:

- ◆ Adobe Digital Editions
- ◆ Sony Reader
- ◆ Stanza Reader for iPhone
- ◆ Bookworm Reader
- ◆ BeBook
- ◆ iRex Reader
- ◆ eBookwise
- ◆ Kindle
- ◆ Mobipocket
- ◆ FBReader
- ◆ IPG Azardi
- ◆ Cybook
- ◆ Cool-er Reader

Association American Publishers : EPUB support

- ◆ HarperCollins Publishers
- ◆ Harlequin
- ◆ Simon & Schuster
- ◆ Hachette Book Group
- ◆ John Wiley & Sons Inc.
- ◆ Penguin Group USA
- ◆ Random House
- ◆ Macmillan
- ◆ Oxford University Press
- ◆ Cambridge University Press
- ◆ Pelican Publishing Company
- ◆ Cengage Learning
- ◆ Workman Publishing
- ◆ Seattle Book Company
- ◆ National Science Teachers Assoc.
- ◆ CQ Press

Wiki Address: eBook Business Models & Strategies

<http://sites.google.com/site/tocebookpresentation/Home>

(note: case sensitive)





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