Consumer Attitudes Toward E-Book Reading
Rewind

% book buyers who purchased an e-book (US)
% book buyers who purchased an e-book (US)
% book buyers who purchased an e-book (US)
Really?
Yes, really. But...
Fiction is Stranger than Truth

Qtr 1 2009
Qtr 2 2009
Qtr 3 2009
Qtr 4 2009
Qtr 1 2010
Qtr 2 2010
Qtr 3 2010
Qtr 4 2010
Qtr 1 2011
Qtr 2 2011

Fiction
Romance
Fiction Mystery
Graphic Novels
Biographies
Cooking

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Q3 2011 Genre Share and E-Book %

- Adult Fiction: 26%
- Juvenile: 11%
- Adult Non Fiction: 15%
- Religion: 12%
- Young Adult: 17%
- Science Fiction: 29%
- Christian Fiction: 40%
“e” Questions to Answer in 2012

• What is the continued growth capacity of Fiction?
• When will the other genres get moving?
• What roles does technology really play in adoption?
Power Buyer = someone who purchases 4 or more books a month.

Consolidated group of your best customers regardless of 'p' or 'e'.
A Book Buyer by any Name... (or Format)
Why?

- Do not own a device
- Have purchased an ebook
- Do own a device
- Have never purchased an ebook
What keeps you from buying e-books?

<table>
<thead>
<tr>
<th>Reason</th>
<th>2:1</th>
<th>2:2</th>
<th>2:3</th>
<th>2:4</th>
<th>3:1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prefer print</td>
<td>17.3%</td>
<td>15.6%</td>
<td>9.6%</td>
<td>8.7%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Difficult to find/discover e-books</td>
<td>7.1%</td>
<td>6.5%</td>
<td>6.8%</td>
<td>6.0%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Difficult to read on a screen</td>
<td>11.5%</td>
<td>9.5%</td>
<td>4.7%</td>
<td>3.7%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Difficult to annotate</td>
<td>4.7%</td>
<td>4.0%</td>
<td>2.6%</td>
<td>2.0%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Difficult to share with others</td>
<td>14.8%</td>
<td>13.6%</td>
<td>12.0%</td>
<td>10.0%</td>
<td>16.6%</td>
</tr>
<tr>
<td>Difficult to find titles available for my e-reading device</td>
<td>9.7%</td>
<td>7.3%</td>
<td>6.6%</td>
<td>4.8%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Lack of a good e-reading device</td>
<td>10.3%</td>
<td>7.5%</td>
<td>5.2%</td>
<td>3.2%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Difficult downloading process</td>
<td>4.9%</td>
<td>4.4%</td>
<td>1.7%</td>
<td>1.9%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Not enough time</td>
<td>24.8%</td>
<td>26.8%</td>
<td>26.7%</td>
<td>32.3%</td>
<td>29.9%</td>
</tr>
<tr>
<td>Inability to legally re-sell or give away e-books after I’m done with them</td>
<td></td>
<td>15.1%</td>
<td>13.9%</td>
<td>11.9%</td>
<td>17.9%</td>
</tr>
<tr>
<td>Cost of the titles</td>
<td>27.1%</td>
<td>23.7%</td>
<td>28.4%</td>
<td>23.8%</td>
<td>30.3%</td>
</tr>
<tr>
<td>Nothing</td>
<td>17.6%</td>
<td>23.3%</td>
<td>27.1%</td>
<td>33.0%</td>
<td>21.9%</td>
</tr>
</tbody>
</table>
Value of Power Buyers

Print
- 22% of Buyers
- 53% of Books Purchased
- 50% of $$$ Purchased

‘e’
- 35% of Buyers
- 60% of eBooks Purchased
- 48% of $$$ Purchased
Power Buyers Demonstrate Loyalty

Within the last MONTH: 32% (only e-books), 20% (mostly e-books), 15% (both p & e), 0% (more print)

2 to 6 MONTHS ago: 41% (only e-books), 45% (mostly e-books), 27% (both p & e), 0% (more print)

7 to 12 MONTHS ago: 45% (only e-books), 44% (mostly e-books), 24% (both p & e), 0% (more print)

1 to 2 YEARS ago: 44% (only e-books), 22% (mostly e-books), 24% (both p & e), 0% (more print)

2 or more YEARS ago: 43% (only e-books), 22% (mostly e-books), 22% (both p & e), 0% (more print)
“E” at the Expense of “P”

<table>
<thead>
<tr>
<th></th>
<th>Within the last MONTH</th>
<th>2 to 6 MONTHS ago</th>
<th>7 to 12 MONTHS ago</th>
<th>1 to 2 YEARS ago</th>
<th>2 or more YEARS ago</th>
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<td>56</td>
<td>69</td>
<td>66</td>
<td>62</td>
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<tr>
<td>e-book</td>
<td>26</td>
<td>21</td>
<td>15</td>
<td>16</td>
<td>18</td>
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<tr>
<td>paperback</td>
<td>16</td>
<td>15</td>
<td>9</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>hardcover</td>
<td>15</td>
<td>15</td>
<td>9</td>
<td>11</td>
<td>12</td>
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</table>
Scenario Planning
Calm Before the Storm
Fiction is Stranger than Truth
Seasonality
% book buyers who purchased an e-book (US)
The Plateau
Power Buyers Demonstrate Loyalty

- Within the last MONTH: 20% (only e-books), 15% (mostly e-books), 15% (both p & e), 5% (more print)
- 2 to 6 MONTHS ago: 32% (only e-books), 41% (mostly e-books), 27% (both p & e), 13% (more print)
- 7 to 12 MONTHS ago: 45% (only e-books), 41% (mostly e-books), 24% (both p & e), 8% (more print)
- 1 to 2 YEARS ago: 44% (only e-books), 44% (mostly e-books), 24% (both p & e), 6% (more print)
- 2 or more YEARS ago: 43% (only e-books), 43% (mostly e-books), 22% (both p & e), 5% (more print)

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### “E” at the Expense of “P”

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Other</th>
<th>E-Book</th>
<th>Paperback</th>
<th>Hardcover</th>
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<tbody>
<tr>
<td>Within the last</td>
<td>42</td>
<td>16</td>
<td>26</td>
<td>21</td>
</tr>
<tr>
<td>MONTH</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 to 6 MONTHS ago</td>
<td>56</td>
<td></td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>7 to 12 MONTHS</td>
<td>69</td>
<td></td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>ago</td>
<td></td>
<td></td>
<td></td>
<td>9</td>
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<tr>
<td>1 to 2 YEARS ago</td>
<td>66</td>
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<td>16</td>
<td></td>
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<tr>
<td>ago</td>
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<tr>
<td>2 or more YEARS</td>
<td>62</td>
<td></td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>ago</td>
<td></td>
<td></td>
<td></td>
<td>12</td>
</tr>
</tbody>
</table>

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Saturated?

According to a Verso Digital study of consumer book buying habits, the number of consumers resistant to purchasing an e-reading device has increased from 40% in December 2009, to 52% in December 2011.
Multi-function Mayhem?

Preferred E-Book Reading Devices

- **Dedicated e-readers** (Kindle, NOOK, etc.)
- **PCs** (desktops, laptops and netbooks)
- **iPads** (dark orange) and other multi-function devices (light orange)
- **Smartphones**

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What about children and youth? Are they pathways to exponential growth?
Kids 7 – 12 Important Facts:

- They have a video game system: 68%
- They share a computer with the rest of the family: 61%
- They surf the web: 44%
- They have their own computer: 27%
- They own their own cell phone: 25%
- They use my/our mobile device that we share: 20%
- They have an iTouch: 12%
- They download apps to a mobile device: 11%
- They use an iPad: 10%
- They own their own reading device like an eReader: 7%
- They have an iPhone: 4%
Teens Triple Rate of E-book Reading

- In 2010, 94% of teenagers read e-books, with 6% not doing so.
- In 2011, 81% of teenagers read e-books, with 19% not doing so.
Bold Predictions for 2012?

25%
30%
40%

What’s ultimately best for the industry?
Global e-Book Monitor

Understanding e-book adoption around the world

Bowker Market Research/ToC 2012
Methodology

- Initial coverage 10 markets where e-book adoption is at different stages
- USA, UK, France, Spain, Germany, Australia, Japan, South Korea, India, Brazil
- Minimum 1000 respondents in each market
- Minimum 250 current/potential downloaders in each market
- Fielded January 2012
- Standard set of questions about influences and activities:
  - Awareness and acquisition of digital content
  - Categories downloaded
  - Numbers of e-book purchased
  - Likelihood of acquiring digital content in the future
  - Types likely to be bought
  - Factors most likely to encourage e-book purchasing
  - Factors most likely to discourage e-book purchasing
  - Impact of digital material on book purchasing
  - Device access – current and potential
Some early key findings from first wave – Europe only
Awareness of and whether paid to download a complete e-book in past six months

<table>
<thead>
<tr>
<th>Country</th>
<th>Aware but not done</th>
<th>Not aware you could do this</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>81%</td>
<td>5%</td>
</tr>
<tr>
<td>Germany</td>
<td>78%</td>
<td>13%</td>
</tr>
<tr>
<td>Spain</td>
<td>79%</td>
<td>13%</td>
</tr>
<tr>
<td>UK</td>
<td>72%</td>
<td>21%</td>
</tr>
</tbody>
</table>

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Awareness of and whether downloaded a complete e-book for free in past six months

<table>
<thead>
<tr>
<th>Country</th>
<th>Not aware you could do this</th>
<th>Aware but not done</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>11%</td>
<td>56%</td>
</tr>
<tr>
<td>Germany</td>
<td>23%</td>
<td>62%</td>
</tr>
<tr>
<td>Spain</td>
<td>33%</td>
<td>56%</td>
</tr>
<tr>
<td>UK</td>
<td>30%</td>
<td>57%</td>
</tr>
</tbody>
</table>
% of downloaders buying e-books in each category in last six months

- Adult fiction
- Adult non-fiction
- Children's
- Prof/Business
- Academic/text

- France
- Germany
- Spain
- UK
Key findings to be released via partners end March/early April –

Check BISG website for upcoming webinars
Thanks for Listening!

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