

Revisiting a publishing Manifesto – What does the future look like for publishers?

In May 2008 I posted a 6,000 word article on my team blog, <http://thedigitalist.net>, entitled 'A book publisher's manifesto for the 21st century'.

The sub title was 'How traditional publishers can position themselves in the changing media flows of a networked era.'

If you've read it you'll already know a lot about my views in relation to the network and how its shape changes when it comes to digital – from a linear one to a circular one – and how this will deeply impact authors, readers, publishers and everyone in the content production and distribution business as digital increasingly dominates our lives

Writing the Manifesto was an incredible authorial experience – the publishing of it actually reinforced everything I was saying in the essay itself:

- That we already live in a hugely networked era
- That in a world where texts can be published digitally, we are plugged in directly to our readership – and they can talk back, and talk to each other – directly and at speed:
- Before the journal ever published the article in print (or 'official online version') it had:
 - been viewed 8,000 times
 - been translated on a voluntary basis and without permission into multiple languages
 - generated a staggering amount of 'chatter' (almost 100 comments on thedigitalist itself, 180+ links and trackbacks from sites and blogs all over the world)

And that was all before its publication in print. There have been many more since.

So, the future starts here.

We are living in a networked world.

It's time we stopped wondering what the future might look like and think about what we should be doing now.

Are we, as publishers, plugged in to this network of digital reading, readers and conversation?

That's why I wrote the Manifesto.

It was a public declaration of what I felt publishers' aims should be in a digital era.

A manifesto hints at something revolutionary and bold; it was deliberately controversial and it was a call to arms.

I wanted publishers to wake up, to stake a claim in the digital landscape evolving around us.

So, over a year on, the question I want to ask first today is...

Has the revolution I was seeking begun?

Let's see.

Looking first to the real world outside our windows, the Revolution is here; it's happened.

The change is exponential and dizzying – the world is spinning faster each day.

Everyone is spending more time online.

Everyone is spending more money online.

The truth is, even though people often associate digital and web with “free”, people are definitely paying for access to digital information and content:

- Internet access fees \$25.8 bn
- Music \$2.3 bn
- Games \$1.8 bn
- Video Downloads \$353 m
- Mobile email and alerts \$1.3 bn

And in our sister media industries, fast-growing digital markets have been experienced as an onslaught.

Music, newspapers and to a certain extent film are largely seen to have ‘failed’ in responding swiftly - or positively - enough.

Let's take a brief look at where music is ten years into its digital gestation:

- 10% of the population bought digital music in 2008, up from 5% in 07
- 10 m digital albums were sold in 2008, a 65% increase on 2007
- Digital now accounts for 10% of music spending, up from 6% in 2007
- 110 m single tracks were downloaded in 2008, a 42% increase on 2007 and digital tracks now account for 95% of the market, up from 90% in 2007
- iTunes share of singles expenditure up to 65.7%; unit share is 71.8%
- Almost a third (28%) of 16 to 24 year olds listen to music at least weekly on a mobile phone, with one in 10 using services such as Spotify and Last.fm
- Vodafone is the second largest digital music retailer in the UK
- New BPI/Harris survey finds that 23% of respondents (aged 16 to 54) are users of illegal filesharing networks
- Two thirds of these (i.e. 15% of all survey respondents) use these services on a monthly basis
- Jupiter estimate that losses to online music piracy amounted to £180m in 2008, and predict they will rise to £200m in 2009.

What else is going on out there in the ‘real world’?

We have given birth to a race of 'digital natives'.

Today's children don't know a world without laptops, DS game machines and mobiles.

It's part of everyday life and they use technology in conjunction with doing other things (e.g. surfing the web while watching TV).

They are also growing up as PROSUMERS, consumers who also produce stuff themselves – and who believe this to be of value.

Meanwhile, there has been enormous growth in the mobile Internet.

As of today, 20% of handsets globally have a web connection.

By 2015 its estimated 50% of the world with have access to an internet connection, mainly through mobile (from a Morgan Stanley report).

And last year, Google got involved with mobile.

With their domination of SEARCH and ACCESS to online content, the much expected launch of Google Edition - the commercialisation of Google Book Search - and a mobile platform to boot, you have to wonder at the potential for this gargantuan corporation to dramatically alter the way in which content is marketed and distributed to the consumer.

In parallel with all these upward digital trends, our bricks and mortar supply chain is suffering:

- In UK there was an almost ten percent decrease in high street bookselling outlets between 2007 and 2008, according to the UK Office for National Statistics
- Through bricks and mortar outlets in the UK, the volume of books sold increased by 2.4% between 2006 and 2008, but the value reduced by 2% over all and the average price charged dropped by 4.3% (Books and Consumers report 2009)
- In UK, the Internet share of the book sector has risen from 13.4% in 2006 to 16.6% in 2008 (Books and Consumers report 2009)

Now – what about the market for digital books – for digital reading?

Latest figs from AAP (Association of American Publishers) put ebook sales up 173.9% through end July 2009.

A caveat to this ...ebook sales made up just 0.6% of overall book sales in 2008 – according to Bowker - which explains the steep growth.

So – the ebook sales graph shows a lovely looking curve, but the steepness is really to do with the starting point. Growth always looks impressive from a zero base!

Let's look at the ebook market another way. If you read the headline about Amazon's Kindle, this sounds a bit like a revolution.

Day one of Dan Brown's *The Lost Symbol* and the Business Insider reports: "Kindle version of the book on top!" (The Business Insider 16.09.09)

Steve Windwalker at the Kindle Nation blog says this could be

"the biggest story of 2009 in the book trades."

As he points out, the most popular book in the world is selling more copies as an electric version than a print version at the most popular bookstore in the world.

Or, another version of the story – one week later – in the same news source:

Kindle verdict: nothing special" The Business Insider, 22.09.09

"The *Lost Symbol* sold just 100,000 in e-books format according to Doubleday. Overall Doubleday sold 2 million copies. The 5% ratio of e-books to print is about in-line with the average for book sales."

Of course there are lies, damn lies and then there are statistics.

Let's just remember that actually, the bigger the over all sales number for a book, the harder it is to make the percentage sold in ebook form look impressive.

Whilst there is a finite number of ebook devices in the market, there is an infinite number of potential human readers for Dan Brown's work.

This story skews the stats again.

And the story isn't all about Kindle.

There's been a proliferation of dedicated ebook reading devices launched to market

Perhaps more significantly there is an increasing number of contenders for the prize of 'killer media device', any one of which has the capacity to catch consumers' imaginations as an ideal ebook reader

So what are publishers supposed to do to cut through the layers of confusing statistics, hype, fear and hope?

Let's see if I can interpret what's happening here and cut through the 'nnnnngh'?

Are we really seeing a revolution, or is it really a slower 'evolution'?

"This is the Industrial Revolution, not the Russian Revolution." - Michael Bhaskar, Digital Editor

I like Michael's analogy that what we're seeing here is akin to the Industrial Revolution.

It will take place over years rather than seeing a sudden tipping point.

We are going to need to run integrated print and digital businesses for some time to come, but, like business owners and workers in the industrial revolution, we are going to have to:

- adapt to our emerging environment
- develop new skills
- employ new people
- understand how to use new tools
- move the location of our businesses (in this case from offline to online)
- and figure out how to deal with the monopolies of some of the technological and supply chain innovators

In other words, even though the revolution isn't happening over night in terms of commercial revenues, we need to keep our sights steady and steer a course that makes sense for us as the landscape shifts and changes.

What is making this difficult for us?

First of all, our existing supply chain is ill-formed to cope with digital.

It assumes a linear progression from author to reader – where DISTRIBUTION holds the keys to the kingdom – shifting units from physical place A to physical place B.

The publisher role in this chain = arbiter; filter; custodian; marketeer and DISTRIBUTOR.

But our unique qualification to play this role is increasingly challenged – by new, non-traditional partners in the supply chain as well as others.

At the same time, the emerging digital supply chain is still in a nascent state too.

It's like an emerging landscape with hidden landmines, uneven ground and blind alleys.

Navigating it is not easy and it's not always clear which path to follow.

We have a multiplicity of:

- channels
- business models
- devices
- platforms
- corporate agendas

...to contend with.

And we don't yet have the solution for sustaining a really healthy, competitive marketplace

There are multiple, largely dissatisfactory DRM solutions.

Along with many other publishers I believe interoperability will be key to a vibrant and healthy digital marketplace.

And hiccups such as these illustrate the early teething problems of a digital supply chain:

Amazon.com caused a stir a few months ago when it remotely deleted copies of George Orwell's "1984" and "Animal Farm" from people's Kindles. A Michigan high school student, Justin Gawronski, was so incensed that he sued the online retailer, alleging that Amazon essentially ate his homework when it removed his copy of "1984" and caused his "copious notes" to disappear. Now Amazon has settled the lawsuit with Gawronski and a co-plaintiff. As part of the deal, which awaits court approval, Amazon said it "will not remotely delete or modify" works on Kindles, with some exceptions.

Speaking of Amazon, this online giant is just one of a new triumvirate that looks set to dominate our digital world – The Big Three as we like to refer to them.

Let's take a walk through their world views:

1. The world according to Amazon

Drivers:

- catalogue, price and consumer experience
- tendency towards commoditisation to drive market share
- technologically they will develop anything that builds the Kindle platform
- take out books / bricks and mortar competition?

2. The world according to Google:

Drivers:

- dominate search and access to content
- build advertising revenue
- not interested in download or proprietary access models (good!)
- likely to collaborate more with the 'traditional' supply chain

3. The world according to Apple

Drivers:

- not interested in dedicated ebook device market – too small a niche – ebook reader will be a feature on media player
- Apple often decides what the driver is after the device is launched; e.g. iPod Touch -

key driver is now getting people to the App Store

- and they respond to the customers' view of what's important (eg in Steve Jobs interview re the Touch – he reports they now marketing it as a games machine based on consumer feedback that this is what they largely use it for)
- whatever we think about Apple's place from a device perspective we all need to assume books will some time in the next year be sold via iTunes

So, if the Amazon, Google, Apple triumvirate are the dominant forces in our newly emerging digital supply chain, what does this tell us about the space in which we are now operating?

- That our key customers are all focused on the consumer experience, on consumer interactions, consumer feedback and consumer data – its way past time we as publishers learned this trick from them
- That this market will ultimately be platform-led as opposed to purely device-led; we need to stop focusing on what the 'killer device' will be. Just as iTunes was the thing that propelled the iPod from sexy object to must-have device, it is likely that the simplest, most consumer-friendly content delivery platforms will win out. All these players know about building platforms.
- That our supply chain will be a global one, where distribution is dominated by global players. For consumer publishers this presents us with some pressing questions about how we handle territorial rights in a digital era
- That two out of three of our biggest new customers are not from our traditional customer base and one is less than two decades old.
- That our biggest new customers are all technology companies who live and breathe online and have no interest in supporting old world structures.

So – we are in brave new world territory – the way ahead is not straightforward – the immediate commercial gains are still relatively marginal for consumer publishers, and the emerging supply chain is far from mature.

What should we be doing about digital now?

I believe we can all steer a steady course through this lumpy emerging territory using three guiding principles.

Using these I believe publishers can take hold of their digital futures, add value to the writer to reader network and continue for a long while yet to be part of the fun!

Rule No 1: ADD VALUE

Publishers have always added value – as filters, and often as enhancers – of content. In the digital world we need to do this – and more.

We must start to take a 360 degree view and find ways to add value in every dimension:

- Where the book is part of an extended world which lives and breathes outside of the printed page
- Where online communication between author and reader, and reader and reader is facilitated by us
- Where we aim to create experiences not ship products
- Where we work out how to do the job of entertaining and informing rather than how to transform printed books into digital books
- Where digital plays an integrated part in all of our strategies

Michael Cader to the FT last year:

“[Publishing] is still a book business... and it needs to become a reader business.”

I think we can take it one step further than that, too – we need to become not just ‘reader’ businesses, but businesses that re-think what they are from the ground up.

We need to think about everything from a zero base.

So, not how can we port this book unit into digital form, but how can we do the ‘job’ of entertaining people, telling story, educating or informing people using the new mediums at our disposal?

“...thinking of the problem as “how do we get a textbook onto an iPhone” is framing it wrong. The challenge is “how do we use a medium that already shares 3 of our 5 senses – eyes, ears and a mouth – along with geolocation, color video, and a nearly-always-on web connection to accomplish the ‘job’ of educating a student.” That’s a much more interesting problem to me than “how do we port 2-page book layouts to a small screen?” Andrew Savikas, O’ Reilly TOC blog

We need to think of digital as an integrated part of the whole and a way of extending the experience of the book, the brand, the author into every place a reader might come into contact with it.

As an example, for the 30th anniversary of the Hitchhikers Guide to the Galaxy we wanted to create the sense of a global party to celebrate this cult classic, to give the sense that everywhere they turned, fans would find themselves looking at Hitchhikers, so we:

- Replaced the Pan Macmillan homepage for the months of Sept/Oct with a special Hitchhikers’ page
- Gave something back to the fan community and readers by offering an iGoogle theme for their personal web page that is free of marketing messages, just using elements of the new cover art to provide the theme.
- Communicated the physical USP of the print books – DIY sticker covers – with a demo animation, so that readers don’t miss the point (and the fun) because of blank, static thumbnails on online retailer sites

- Re-imagined Douglas Adams's fabulous comic character, Marvin the Paranoid Android, for a new medium – and reached out to new and existing readers via Twitter, with Marvin the Paranoid Android tweeting about the books and life in general (you can follow at twitter.com/marvinsmoan)
 - Re-released the original ebook – the HHGG – on as many platforms as possible, including ebook, audio download and mobile app
- RULE NO 2: Become expert digital marketers

To become digital marketers we need to take what we do best and incorporate it into our online approach.

In publishing we attract a great many people who are passionate and engaged communicators.

At a basic level, one of my colleagues always says, publishing is about reading and then talking about it.

Online, we can extend that 'talking about it' in a very real sense and get to know and engage with our audiences – this may require us to focus further around verticals so that we are plugging in to audiences in a deeper way.

- And, further than that, and perhaps even more simplistically, we need to get MUCH better at getting data about our books everywhere online; to make our books searchable and discoverable online

- And embed this information in search and in the social web – so consumers find our stuff however they navigate the web.

But always remember that to do this, context is everything.

Digital marketing should never be a 'tick box' on a marketing plan but it should be a strategic, integrated element of your plan for the success of a book, an author, a series or a category you are trying to build.

I think we've moved from an era when content was king, to a stage when 'comments' were king – and we now live in an age where context is king.

Consumers are fed up with having traditional, corporate marketing messages copied and pasted into social media. Relevance is everything.

For the Jonathan Ross twitter-based book club in the UK, we responded by making the book available for online access.

- we offered free, open access to the book for the duration of the discussion
- tweeters could link directly and snippet from the page they were discussing,

The key was that we slotted a content experience into an existing context and reached readers where they were gathering rather than trying to make them come to us. Then we supplied them with the access and the tools (snippeting etc) to use as part of their bookclub discussion.

RULE NO 3: Provide great service

Publishers have always had a role as an agency for the 'hard stuff'.

This is the non-glamorous, hard work part that I believe authors will always need from their publisher, whether in a print or digital context.

What are these hard things that we can manage for them?

- protection of IP e.g. fighting piracy
- navigating the new supply chain and using our scale to negotiate best deals (and therefore income stream back to author)
- working on the merchandising of digital products
- producing and supplying the best metadata – and creating and supporting new standards – to ensure that content and the rights that go with it can travel around the web unimpeded

I'd like to leave you with two maxims from two of my favourite authors and bloggers.

First of all – Clay Shirky

“We spend more time figuring out whether something is a good idea than we would have just trying it.” Clay Shirky (on stage at NTC, April 2009)

Just try it.

There is value in the experiment itself.

Digital is not something to be fearful of but something to embrace – get experimenting!

And finally, a sorry reminder of what happens when an industry doesn't engage – boldly, passionately and with a sense of fun and excitement rather than fear and approbation.

“Things you can learn from the music business (as it falls apart)

The first rule is so important, it's rule 0:

0. The new thing is never as good as the old thing, at least right now.

Soon, the new thing will be better than the old thing will be. But if you wait until then, it's going to be too late. Feel free to wax nostalgic about the old thing, but don't fool yourself into believing it's going to be here forever. It won't.”Seth Godin

http://sethgodin.typepad.com/seths_blog/2008/01/music-lessons.html