Epublishing Rapidly Expands, Amid Uncertainty

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Ebooks were the most-purchased tablet content by US tablet users

Sales of ebooks and the devices on which people read themâ€”ereaders, tablets and smartphonesâ€”are on a steady upward trajectory, according to a new eMarketer report, â€œBook Epublishing: The Price of Disruption.â€•

The US adult ereader user base is poised to grow at double-digit percentages this year and next, but in 2014 and 2015 expansion will slow to the 5% range. This reflects cannibalization from tablets, not a loss of interest in ebooks.

And people are using these devicesâ€”both ereaders and tabletsâ€”to read voraciously. The Online Publishers Association (OPA) has found that tablets encouraged book purchases. In March 2012, 35% of US tablet owners purchased ebooks on their devicesâ€—more than the number who bought movies or TV shows, purchased magazine or newspaper subscriptions, or bought single copies of magazines, according to OPA.

Similarly, Harris Interactive showed that ereader owners tended to buy more books than non-owners. Harris also indicated that ereader owners read more than non-owners.

Difficulties in the ebook market remain though, and are primarily associated with content delivery and pricing. Although ebook production generates its own set of costs, consumers still feel that ebooks should be cheaper than traditional book formats.
Whether or not publishers, distributors, retailers and technology firms agree, they are under intense pressure to meet consumersâ€™ price expectations. And a recent suit by the Department of Justice against Apple and five publishers for ebook price fixing will result in a period of uncertainty over price levels.

In addition ebook library lending is becoming more popular. Although these programs provide revenue and promotional benefits to publishers, they also raise the prospects of digital piracy and cannibalization.

While all indicators point toward robust sales and a healthy growth outlook for the ebook business, the publishing industry is in the midst of a standoff over competing business models.

The outcome is uncertain, but the likely scenarios would result in an industry in which a single playerâ€”Amazon or Appleâ€—has a huge amount of control over pricing, marketing, technology decisions and other critical aspects of ebook commerce.

The full report, â€œBook Epublishing: The Price of Disruption,â€• also answers these key questions:

- How many people use ebooks and reading devices (ereaders and tablets)?
- What are the demographics of the ebook reading audience?
- How will ebook pricing play out?
- What are the issues affecting the ebook library lending market?

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