



**Global E-Book Report Arrives for 2017  
Interview with Ruediger Wischenbart**

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KENNEALLY: For the book publishing industry, the 20th century was arguably the era of the paperback format. Inexpensive printing, rising literacy and a global mass media helped to put more books in more hands than ever before. The medium may be the message, but the paperback format was the business mode.

Welcome to Copyright Clearance Center's podcast series. I'm Christopher Kenneally for Beyond the Book. In 2017, print remains a critical element of the book business, of course, yet attention from editors and executives – and authors too – focuses on digital. The arrival of the annual Global E-book Report, an ongoing project from Vienna-based publishing consultant Ruediger Wischenbart, is an opportunity to filter through conflicting story lines to better understand the current fortunes of the new century's fundamental format.

Welcome back to Beyond the Book, Ruediger.

WISCHENBART: Hi, Chris. I'm very happy to be back here.

KENNEALLY: We're happy to explore these issues with you because, as we mentioned, e-books seem to be the format of this new century. But are they really a lot more than that? Is this e-book format a way of looking at the industry in a new way?

WISCHENBART: I think e-books are much, much more than just a format. I guess the real key is that suddenly e-books connect directly the authors and the readers, and that changes dramatically the role of the publisher, that changes the role of all the in-betweens – the booksellers, everybody else – so suddenly everybody is involved directly in an interactive exchange in the network

KENNEALLY: And the way we can sort of get into this topic as we discuss it today and as you cover it in the E-Book Report is through the numbers. You gather the data from a variety of sources. You've gotten some new sources as well as the continuing input from the usual suspects, so to speak, and you are able to break this



down into a variety of markets and to look at those markets through genres and sub-markets.

So what stands out for you right now? We hear a great deal in the industry reporting of a kind of flattening in the market for North America. We don't hear, in the U.S. at least, a great deal about what goes on in Europe, but there is a lot going on. For you, Ruediger, who gets around quite a good deal, what stands out in the Global E-book Report?

WISCHENBART: I guess there are two rather contradictory things to be said. On the one hand, everywhere – really everywhere – the direct connect between the authors and the readers via digital takes place.

But second, it takes place in very different forms. For instance, in China, people have started to read and write on the screen through their mobiles as early as 2003-2004, so way before we started to be interested in self-publishing. They never called it like this, but it is that.

In Europe, people – and particularly all the industry organizations – tried to resist the e-book, and they were very proud that e-books did not really get up to a share of sales of above 10%. But again, when you look more closely, you realize that's not exactly the story. The story is that, in some parts, print is really – has never been out of the way, but in other parts – even in very different places in Europe – e-books are very powerful in genre fiction, in romance, in science fiction, in fantasy. And these sectors have grown in significance.

So suddenly, even for a traditional publisher who sells an e-book new novel – a literary novel – at €15, that's US \$14 – almost unthinkable here – that can be substituted by a quick read at €3.99. So suddenly the entire dynamics of the market – they are changing. And at the end of the day, we are in that transition also from the point of view of a reader or a consumer. They must be very confused. Why do they have to pay for the same book – it's a container with stuff to read, which is fun and entertaining and educating – but why do they have to pay for the same piece of software either €0.99 or €15? So that's really very strong forces changing the entire thing, and therefore I argue it's not just a format, it's really transforming the entire game.



KENNEALLY: And so e-book publishing is just another name for self-publishing, really?

WISCHENBART: Both. It brought up self-publishing, but also it changed the way how the big publishing houses organized their thing, because they were the first to learn to make good money – really significant money – out of curated digital book content. The really challenged guys are those in the middle ground – the traditional high-fiction brands all over the place, in the U.S. like in Europe, because they are somehow trapped in the middle. They have all the cost, but they never really managed to get into scale and into that learning about the readers, being capable of interacting with the readers directly, so they have all the challenges and not really found a way out of it.

KENNEALLY: So the potential of e-books and digital publishing is the ability to target audiences, to customize the product in such a way that it really meets the need of the reader specific to him or her. Are publishers – are authors, for that matter – independent authors – taking up that opportunity in a way they could be, leaving much on the table, as it were? I guess my question is, is customization happening at the level it should be or could be?

WISCHENBART: No, not yet. Clearly, not yet – but again the strange thing is some authors are geniuses in catering – in building a community, getting in touch and in a connection with that community for their very specific books. And some authors even run two communities, because they write romance novels and, under a different pseudonym, they write crime novels, and they have two communities. They can do this. But a medium size publisher with something between 50 and 100 titles per year – that's much more difficult, and they are very, very bad at this – but they should. And at the moment, outside of the English language, they don't have the data available to them to really properly understand what makes a difference.

And that is the really innovative part of the Global E-book Report 2017 – that we could work with distributors, and they know exactly what runs through their pipes, and we could realize that you have one segment of e-books – and therefore customers – going for books at around €5 – \$5 to \$6 – and there is a second cohort or a segment, which is between €10 and €12. And these are different audiences, and we for the first time could really drill down and profile them and say, listen, if you want to market that properly, as you used to do in the old paper world, where it was much slower and not so specific, then you need to get an understanding of



these numbers and you need to wrap your mind around these specifics, and that's why we try to help to understand in a realistic way what's going on in that digital marketplace.

**KENNEALLY:** We are speaking today in New York, ahead of Book Expo and the Global Market Forum, which you direct, but you are based in Vienna. You know the German language publishing market very well and organize the annual Publishers Forum in Berlin. So educate our listeners in North America about the differences in the German marketplace. Many things seem very familiar, as I read through the report. The bookselling side of things has been undergoing tremendous disruption, even though there are price-fixing laws and other legislation that really puts more controls on it than we would recognize in the U.S., so the same disruption is happening. What's the state of e-book publishing in Germany then?

**WISCHENBART:** I guess the main difference is that, in Germany, or in other large European markets like France or Spain or all the smaller countries, it's much more regulated, in the ambition to have a more stable – a less versatile – marketplace. And what we see now, because it's much deeper shifts of consumer trends, of cultural habits, etc., that all those regulation measures do not hold that together anymore. And you have Amazon in many places, but also the big local players have to compete with totally different things and different practices of the users, who watch Netflix on their little mobiles, who exchange the news about what they want to read on their mobile phone and not just in the broadsheet with the literary reviews.

And so suddenly you have very similar changes, very profound changes in the marketplace in Germany as you have them in the U.S. But at the same time, there are differences. For instance, in Germany, in the digital part, it's not only Amazon who owns the market, but there has been a local competitor, an alliance of the large traditional retailers, who said we can do e-books just as well, and they founded an alliance, which they branded Tolino Alliance, which has been acquired recently by Kobo, which is again a property of Rakuten, so a global player going into these specifics, and the Tolino Alliance could really create a second center of activities where they form significant sales power, significant platforms, significant audiences, so – and self-publishing is very much existent but not to a degree as it is in the U.S.



And last point, I guess, where it must make a difference is that the leading – the largest players – in the game, the largest publishers are much smaller and own a much smaller market share in Germany – same in France – as it is the case with the big five in the U.S. So you have more in between and not only the very big ones and all the independents.

KENNEALLY: Right. And we just are coming out of the Cannes Film Festival, and there was some controversy at Cannes. It's a long story and involves a lot of cultural issues for the French, but a revolt, if you will, against Netflix by the indigenous – the native film industry – one that remains unresolved. And the story you've just told about the situation in Germany makes it clear that German publishers aren't ready and German publishers of all kinds aren't ready yet to cede the ground entirely to Amazon. They're looking to take them on.

WISCHENBART: But at the same time, Europe is a wonderful, large market – but cut into many, many pieces – different languages – German, French, Hungarian, Swedish, Icelandic, whatever you want – different sales taxes, different little local legislation, no overall copyright regulation, etc., etc., so it's really like an anthill with many, many, many actors running back and forth. And I think that's also one of the big debates that we have at the moment, where really publishers get very frightened and sometimes respond very aggressively – say we need more protection, etc. So it's a very, very lively situation because Europe has not come to terms in unifying that digital marketplace, and I guess that's the most important challenge ahead.

KENNEALLY: Certainly it would be. And the other challenge for everyone, wherever they are publishing, is that we live in a mobile world. And we've already brought this up in a number of aspects, and certainly it's the competition for attention – for the attention of the public – that publishers must really be wondering how they're going to survive, because video and YouTube and film and so forth are there on the same device as well as their own e-books.

So what can you tell from the status of the e-book world today where we're headed with all of that? How are e-books going to compete in that world? How are they going to reach the audiences that they need to for these publishers to survive and thrive?



WISCHENBART: I simply can pick up on a phrase coined by an American analyst from Silicon Valley, who said mobile is eating the world. And I think that's more true than we all understand, because if someone even buys a print book down at the little bookshop at the corner of the street, it's very likely that he or she has learned from their social media contacts over the mobile phone, exchanging all kinds of information, so even if you buy the print book – because you want print – at the corner store at the end of your street because you want to sustain that corner store, mobile has had a critical role in it.

And that's, I guess, the most important thing that we need to understand – what is changing. It's not the format. It's how people interact with each other about what they consume. And then it's an easy and very fickle decision – do I watch this as a movie? Do I read a book? Do I go to the coffee shop and have a chat about the same story with my friend? All that is possible, but it always revolves around that magical mobile device.

KENNEALLY: Ruediger Wischenbart, we appreciate a chance to learn a little bit more about the recently published Global E-book Report. We'll provide a link for people where they can get a copy themselves, and we always enjoy chatting with you. Ruediger Wischenbart from Wischenbart Consulting, thanks for being on Beyond the Book.

WISCHENBART: It was wonderful, as always, to be your guest.

KENNEALLY: Beyond the Book is produced by Copyright Clearance Center, a global leader in content management, discovery and document delivery solutions. Through its relationships with those who use and create content, CCC and its subsidiaries RightsDirect and Ixxus drive market-based solutions that accelerate knowledge, power publishing and advance copyright. Beyond the Book co-producer and recording engineer is Jeremy Brieske of Burst Marketing. I'm Christopher Kenneally. Join us again soon on Beyond the Book.

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