The e-book phenomenon in Sweden

The E-book Research Group at the University of Gothenburg and the University of Borås
The Project

• …is funded by the Swedish Research Council
• …to the value of about 1.3 million Euros
• …for research over a period of four years (ending in 2016)
Scope of the Project

- The aim of the project is to explore the impact of the e-book on all aspects of the book creation, production, distribution and use process. That is:
  - How are Swedish authors responding to the e-book?
  - What is the impact on publishers and what are they doing?
  - How are public and academic libraries coping?
  - What is the role of traditional and online booksellers?
Finally

- Let me introduce the presenters:
  - First, Dr. Skans Kersti Nilsson, University of Borås – who will talk about the work on authors
  - Prof. Tom Wilson reporting on the publishers’ survey
  - Birgitta Wallin, PhD student, University of Borås, on the role of booksellers
  - Then, Professor Elena Maceviciute, University of Borås, on the public library work
  - Finally, Prof. Lars Höglund & Dr. Annika Bergström, Gothenburg University, on the SOM surveys of readers
Authors and the e-book
Changes in Swedish publishing

- 2002: Tax change on books from 25% to 6%.
- 2010: Peak in production of fiction in Swedish.
- 2012: Publishing in e-format on the rise.
- 2014: 1986 new fiction titles and editions
  607 new e-book titles (PA)
Selection criteria

Personal, semi-structured interviews with 27 authors.

Selection criteria:

- recognized over the years;
- famous vs. unknown;
- well sold vs. not sold;
- productivity;
- self-publishing vs. publishers;
- different genres;
- other languages;
- age and sex.
Question areas in the interviews

- Production?
- Experiences?
- Marketing, dissemination, distribution?
- Feed-back from readers?
- Economics?
- Results?
- Opinion of organizations and cultural policy?
- E-books and reading?
- Opinion on e-books and their potential?
- The future of e-books?
Interview results - 1

- Authors mainly have positive attitude towards e-books.
- Arguments for: a way to spread content, an addition to a paper book. Swedish cultural heritage becomes accessible to public through digitisation.
- Arguments against: digitisation of books can cause access problems in the future, risk of thinking about novelties and losing historical roots, effect on reading.
- Authors with established contact with a publisher see e-books as a by-product similar
Interview results - 2

- E-book publishing is written into the basic agreement with symbolic payment and royalties.
- General opinion that VAT on e-books should be equal to paper books.
- Only books and authors with good reputation and good sales amounts are published in e-format.
- Authors with high quality reputation and low sales are not published in e-format.
- Back-lists are rarely digitised by the publisher.
Interview results -3

- Famous and popular authors translated into other languages have literary agents supporting their books to become digitised and with royalties.
- Self-publishing and distribution for free are accepted by all to be a private decision.
- Interest in self-publishing is higher among authors who are not linked with established publishers.
- Attitudes towards piracy are highly negative.
- Interest in the extended e-book by authors in small and specific genres like poetry, hymns, etc.
Interview results - 4

- Authors of e-books do not know who their readers are and have no contact with this audience.
- Authors in general prefer reading paper books.
- Authors who are avid readers of e-books are attached to fast leisure reading.
- All agree to that e-books are established and will be more important in the future.
- Some authors of high quality literature with high reputation but small sales amounts don't think there will be a space for their literature in the future.
Publishers’ attitudes
Disruption in publishing

- With the arrival of tablet computers, particularly the iPad, and mobile phones, especially ‘smartphones’, the e-book moved from being a ‘geeky’ kind of thing, to a mass media phenomenon - and a disruptive influence in publishing.

- E-books are disruptive for several reasons but perhaps the main reasons are that authors no longer need the publishing industry to break into publishing - self-publication has grown rapidly; and publishers appear to have difficulty in evolving a business plan, especially in relation to the big player in the market - Amazon.
Situation in Sweden

- Our theoretical framework for the research is Winston’s theory of technological innovation.

- The study of publishers suggests that the main driver for the development of the e-book is the demand from readers for a portable, convenient format, together with the increasing use of the technology in education and the opportunity it offers to authors for self-publishing.

- On the other hand, the barriers to the further use of the technology, are the readers’ preference for printed books and the limited size of the Swedish book market.
A three country study

Having carried out a publisher survey in Sweden, we made the questionnaire available to colleagues in Croatia and in Lithuania. The Lithuanian team made some additions to the questionnaire and the responses in both countries were entered into the Survey Monkey system, either by the respondent or by the researcher.

The response rates were Sweden 56.5%; Lithuania 58.6% and in Croatia 23.6%
### Self-publishing

<table>
<thead>
<tr>
<th>Statement</th>
<th>Sweden (n=98)</th>
<th>Lithuania (n=52)</th>
<th>Croatia (n=43)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Agree</td>
<td>% Disagree</td>
<td>% Agree</td>
</tr>
<tr>
<td>Self-publishing has little relevance for the publishing industry</td>
<td>54</td>
<td>46</td>
<td>78</td>
</tr>
<tr>
<td>Self-publishing can help to identify new authors</td>
<td>84</td>
<td>16</td>
<td>74</td>
</tr>
<tr>
<td>Self-publishing forces us to market products more effectively</td>
<td>34</td>
<td>66</td>
<td>57</td>
</tr>
<tr>
<td>Self-publishing is a threat to our market position</td>
<td>11</td>
<td>89</td>
<td>24</td>
</tr>
<tr>
<td>We need to develop our own self-publishing channel</td>
<td>28</td>
<td>72</td>
<td>69</td>
</tr>
</tbody>
</table>
Relations with booksellers

<table>
<thead>
<tr>
<th>Statement</th>
<th>Sweden</th>
<th>Lithuania</th>
<th>Croatia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Booksellers will continue to function as outlets for both printed books and e-books.</td>
<td>53%</td>
<td>64%</td>
<td>63%</td>
</tr>
<tr>
<td>Only online bookshops will sell e-books.</td>
<td>48%</td>
<td>53%</td>
<td>54%</td>
</tr>
<tr>
<td>The role of the bookseller will decline as e-book sales increase.</td>
<td>64%</td>
<td>59%</td>
<td>46%</td>
</tr>
<tr>
<td>Sales of e-books will increasingly shift to direct sales from publishers to readers.</td>
<td>57%</td>
<td>82%</td>
<td>89%</td>
</tr>
</tbody>
</table>
## Relations with libraries

<table>
<thead>
<tr>
<th>Statement</th>
<th>Sweden</th>
<th>Lithuania</th>
<th>Croatia</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>E-books should be sold to libraries in the same way as printed books.</em></td>
<td>% Agree</td>
<td>% Disagree</td>
<td>% Agree</td>
</tr>
<tr>
<td></td>
<td>67</td>
<td>33</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>77</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td><em>E-books should be allowed to be loaned for a limited number of loans.</em></td>
<td>% Agree</td>
<td>% Disagree</td>
<td>% Agree</td>
</tr>
<tr>
<td></td>
<td>53</td>
<td>47</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>58</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td><em>E-books should be priced higher for libraries than printed books because of the possibility of an unlimited number of loans.</em></td>
<td>% Agree</td>
<td>% Disagree</td>
<td>% Agree</td>
</tr>
<tr>
<td></td>
<td>47</td>
<td>53</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>39</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td><em>E-books should not be made available to public libraries.</em></td>
<td>% Agree</td>
<td>% Disagree</td>
<td>% Agree</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>91</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>17</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>
Conclusion

The results of this research suggests that in ‘small language markets’, the publishers are thinking about e-books in very similar ways.

It also suggests that research in different countries, based on the same research instruments can reveal interesting and thought-provoking information.
Selling the e-book
Selling the e-book

Booksellers in Sweden

- About 440 physical bookshops in Sweden
- About 50 online booksellers
- Aggregators
- Subscription services
Two studies

- In 2014 a survey was sent to 152 booksellers of which 48 responded
- 6 of them sell e-books

- In October 2015 Semi-structured Interviews with booksellers
- So far 3 booksellers and 1 aggregator (Elib)
Reasons for not selling e-books

- Publishers do not provide access to e-books
- We have no contract with publishers or vendors
- We lack technical resources for selling e-books
- No demand from customers
Factors increasing e-book sales

- Access to additional materials (e.g. additional chapter for an...)
- Better quality of e-books
- Better quality of e-readers
- Lower price than today
- E-books look less like printed books and offer other...
Opinions of e-book sales future

- Yes, during the next 2-3 years
- Yes, during the next 5 years
- Yes, during the next year
- No, e-book sales will not increase
- Do not know
Quote from bookseller

"Of course, as a bookseller I am concerned with a development that will risk my income but as a consumer and literature lover the development towards more accessibility and new formats is fantastic!"
E-books, libraries & librarians
Public libraries and the e-book

- Library law demands public libraries to provide access to all formats
- One dominating aggregator for libraries – Elib.
- New agreement: licenses and differential prices per loan, possibility to choose books.
- Number of available e-books for loan 11750
Loans of e-books in Swedish public libraries
The problems caused by e-books for libraries

- The cost of e-book lending causes difficulties in budgeting.
- The professional role in selecting appropriate material is limited, though it is slightly better with the new agreement.
- Restrictions on what can be loaned are related to the loan price, publishers can remove books from the system.
- There is insufficient material for children.
Demand

- The demand for e-books is low among book buyers and library users compared with the demand for print books (statistics show only a very small ratio of e-book sales or loans).

- Demand is growing quite rapidly and has to be taken into account by publishers and libraries.
Cost

- Prices of e-books for libraries are higher than those for print books.
- Public libraries have problems with budgeting, especially if all categories of books (based on loan price) are made available to users.
- Price per loan from from 1,4 to 7,5 Euros.
Limitations

- Libraries do not own what they buy, but simply license access.
- Uncertain demand (high or low), means that setting a budget is problematical.
- The libraries introduce limitations to loans due to new rates, which goes against the library ethos of providing access to everything.
- The libraries also have no real choice about which system to adopt, as competition is non-existent.
## Case study library

### Change as a result of removing cost limits on library loans

<table>
<thead>
<tr>
<th>Month</th>
<th>Total loans of titles</th>
<th>% increase</th>
<th>Total cost SEK</th>
<th>% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2014</td>
<td>512</td>
<td>-</td>
<td>13,093</td>
<td>-</td>
</tr>
<tr>
<td>January 2015</td>
<td>1,574</td>
<td>207%</td>
<td>40,303</td>
<td>208%</td>
</tr>
<tr>
<td>February 2015</td>
<td>1,670</td>
<td>6%</td>
<td>48,109</td>
<td>19%</td>
</tr>
<tr>
<td>March 2015</td>
<td>2,102</td>
<td>26%</td>
<td>55,799</td>
<td>16%</td>
</tr>
</tbody>
</table>
Swedish e-books in academic libraries

- 1 library has 20% Swedish e-books of all e-books
- 1 library has 10%
- 4 libraries have 5%
- 1 library has 3%
- 6 libraries have between 0.1% and 1%
- 19 libraries have no Swedish e-books
Conclusion on libraries

- Public libraries have not yet found an economically viable solution for the delivering e-books to their users.
- They fear the loss of control over their collections and as a result the disruption of their ability to perform their key functions.
- E-book loans may increase rapidly if the limitations of various kinds are taken away.
Readers of e-books
E-book readers: the SOM survey

Data from the national SOM- surveys:
- Representative samples from the Swedish population,
  In 2014: 3400 persons in the age-range 16-85 years.
- Response rates: the mean for the period 1986-2012 is 65%, diminishing over time. 2014 the response rate was about 54%.

www.som.gu.se
Four research questions:

- How are e-books developing from a user’s perspective?
- Who are the users?
- How important are attitudes?
- How are e-books related to printed books?
Reading of books, and e-books; access to tablets and use of library services through the internet 1995-2014 (percent)

Reading of fiction and non-fiction as ebooks 2012-2014 (percent)
Reading of e-books the latest 12 months in different groups (percent)
Relationships between reading of printed books and e-books, 2014  (base: all answers 1551 = 100 percent)

<table>
<thead>
<tr>
<th>Read e-book</th>
<th>At least some time during the latest 12 months</th>
<th>Not during the latest 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>66</td>
<td>15</td>
</tr>
</tbody>
</table>
### Attitudes 1: Claims regarding e-books to agree on.

*Scale 0-10. Means and Std dev.*

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-books can never give the same feeling of browsing as a printed book</td>
<td>7.24</td>
<td>3.21</td>
<td>1547</td>
</tr>
<tr>
<td>Possibility to read e-books means that I buy/borrow less printed books</td>
<td>3.89</td>
<td>3.81</td>
<td>1520</td>
</tr>
<tr>
<td>Reading e-books is so far too complicated</td>
<td>4.96</td>
<td>3.56</td>
<td>1524</td>
</tr>
<tr>
<td>E-books format suits best short books</td>
<td>5.34</td>
<td>3.43</td>
<td>1504</td>
</tr>
</tbody>
</table>
## Attitudes 2: Perceived suitability of print books and e-books in different situations (percent)

<table>
<thead>
<tr>
<th>Which kind of book is most suitable in the following situations:</th>
<th>Printed books are best</th>
<th>E-books are best</th>
<th>No opinion</th>
<th>Difference between printed book and e-book</th>
</tr>
</thead>
<tbody>
<tr>
<td>To read to children</td>
<td>82</td>
<td>1</td>
<td>17</td>
<td>+81</td>
</tr>
<tr>
<td>To read in bed</td>
<td>74</td>
<td>6</td>
<td>20</td>
<td>+68</td>
</tr>
<tr>
<td>To share with others</td>
<td>46</td>
<td>15</td>
<td>39</td>
<td>+31</td>
</tr>
<tr>
<td>To read when travelling or commuting</td>
<td>47</td>
<td>23</td>
<td>30</td>
<td>+24</td>
</tr>
<tr>
<td>A large collection to choose from</td>
<td>37</td>
<td>22</td>
<td>41</td>
<td>+15</td>
</tr>
<tr>
<td>To get access to books</td>
<td>27</td>
<td>34</td>
<td>39</td>
<td>-7</td>
</tr>
</tbody>
</table>
Proportion reading literature in print and e-book after attitudes towards e-books (index 2, 2014) percent.
Regression analysis

<table>
<thead>
<tr>
<th></th>
<th>Coefficient 1</th>
<th>Coefficient 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>0.07**</td>
<td>0.04</td>
</tr>
<tr>
<td>Age</td>
<td>-0.14***</td>
<td>-0.05</td>
</tr>
<tr>
<td>Level of education</td>
<td>0.08**</td>
<td>0.07*</td>
</tr>
<tr>
<td>Household income</td>
<td>-0.06*</td>
<td>-0.06</td>
</tr>
<tr>
<td>Tablet access</td>
<td>0.07*</td>
<td>0.04</td>
</tr>
<tr>
<td>Reading printed books</td>
<td>0.15***</td>
<td>0.17***</td>
</tr>
<tr>
<td>Library visits</td>
<td>0.17***</td>
<td>0.17***</td>
</tr>
<tr>
<td>Online library visits</td>
<td>0.03</td>
<td>0.02</td>
</tr>
<tr>
<td>Attitudes towards e-books</td>
<td></td>
<td>0.28***</td>
</tr>
<tr>
<td>Nagelkerke R²</td>
<td>0.11</td>
<td>0.18</td>
</tr>
<tr>
<td>n=</td>
<td>1,339</td>
<td>1,202</td>
</tr>
</tbody>
</table>

* p<0,05; ** p<0,01; *** p<0,001.
Conclusions

- The readers tend to be most frequent among:
  
  young people, highly educated,

  library visitors,

  frequent readers of printed books

- There is a lack of demand from customers and the preference of readers for printed book

- Attitudes and the use of e-books are closely related, but it is probably a two-way relationship, where experience from e-book reading results in a more positive attitudes
Thank you!

- We are happy to answer questions.
- You can find out more about the Project as it proceeds by following our blog at http://projectebooks.wordpress.com/
- We also maintain a Flipboard “magazine” called News on E-books, which you can see on the Web at https://flipboard.com/@ebooksinsweden/news-on-e-books-du77ors8y or by using the Flipboard iPad app.