'The influence of e-books on authors, publicists, customers and book shops, a success or a failure?'

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Executive Summary

Digital books are often being heralded in the media. After all, the sales figures of digital books and e-readers are rising. It is inevitable that the book industry will keep on digitizing, since it facilitates life. However, what will be the long term effect of the digital books on authors, publicists, book shops, libraries and customers? Will the influence of the digitalization in the book industry be a success or a failure?

The purpose of this report is to find an answer to the central question, namely: "The influence of e-books on authors, publicists, customers and book shops; a success or a failure?" To narrow down the research, the accent is mainly set on the Dutch book industry. In order to give a reliable and useful advice, it was necessary to be as detailed as possible. From the first digital book to the newest e-reader. Besides a profile of the digital book, the Dutch book industry is analyzed, a customer analysis was made. Moreover, a comparison is made between the digitizing book industry and the digitalization of the music industry.

The purpose of this investigation, is to clarify the importance of anticipating on trends and changes, that are inevitable. To show all parties involved the value of turning something negative into a positive step forward in their branch. A remarkable conclusion is that the even in the same branches, parties are having totally different opinions on the digitalization trend.

Having said this, three main recommendations are prepared, to support the various sectors within the book industry to coop with the changes.

1) An often heard argument against the digitalization is the threat of illegal downloading, or better known as piracy. Fortunately, the music industry digitized quick and faced serious issues with regards to piracy. The book industry should learn from the mistakes that were made in the music industry. In order to fight illegal downloading, piracy should be investigated thoroughly. Try to seek for original and innovative ways to handling piracy.

2) After the example of the Dutch Book Association, which is founded for the smaller book shops owners, every branch within the book industry should have an informative organ. The Dutch Book Association primary goal is to provide information to smaller book shops owners about digital trends and how to anticipate on these trends.

3) Accept and embrace technology. A simple and short sentence, but which is of great importance to all industry that are facing digitalization. The acceptance of technology is the first step in creating better solutions and a smoother transition from the written word to the digital word.

To conclude, it can be said that the digital book will have a positive impact on the industry. However, this is depending on the participation and the motivation of everyone involved in the process.

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Introduction

Inventions are made almost every day, in today's modern society. New techniques can simplify life, then again it can also elicit difficulties in the relevant industry. The introduction of the e-book, better known as a digital book, caused a shift in the book industry. From the written word, as old as ancient history, to the digital word read on a handheld device. Amazon, the largest online media store of the US, is already selling more digital books than hardcover's. It makes one wonder, what the effects of digitalization are on the book industry. More importantly, it raises the question whether e-books can be, and stay a success, or whether it will turn out to be a failure?

To find an answer to the central question: "The influence of e-books on authors, publicists, customers and book shops; a success or a failure?" and give a proper advice, a thorough research needed to be conducted. This research is concluded in this report.

The first chapter of the report, gives a better understanding of the origin of the digital book. With an answer to the question; "When this digitalizing trend of the book industry started?", a completer overview of the subject is set.

The second chapter discusses the affairs that went on during the digitalizing process of the music industry. To find out, what the book industry can expect, a comparison is made, between the book and the music industry. This comparison will contribute to the delivering of a useful advice. The main question for this chapter is: "What can the book industry learn from what the music industry experienced, during the digitalization process"?

The third chapter elaborates on the reactions of the Dutch book industry to the ongoing changes, that are experienced by all the parties involved. Such as publicists, authors, librarians, book shop owners and even the Dutch politicians. The reactions of the parties involved are extremely important. After all, they are the ones that can make or break digital reading.

The last step, before a conclusion can be made about the success or failure of digital books, is the SWOT-analysis. Meaning: "What are the strengths, weaknesses, opportunities and threats for the digital books and the entire book industry?" All these answers are conclude in a clarifying table.

At the end of the report, everything comes together in the recommendations and the conclusion.

Methods

In order to determine which level of success digital books can reach, research was conducted through desk research and questionnaires.

Firstly, a thorough desk research was established. By gathering as much information as possible on the subject of 'digital books'. The Internet was a very useful source on which articles and informative documents can be found. Websites that were very useful for this report were news websites and websites of large informative organs. Furthermore, documentaries on TV also were off great help to get a more clear view on the wide range of opinions and thoughts on the digitalization of the book industry.

Secondly, literature is very useful source. To get a better view on the stages of digitalization that the book industry had to go through, the book of Steven Knopper is very useful. The music industry is the primary interest of the book. However, it is useful to understand which obstacles the book industry has to overcome. Which helped to make the comparison between the music and the book industry.
Furthermore, the book 'No shelf required' by Sue Polanka is very informative to deep the topic integration of the e-book in society.

Thirdly, a questionnaire was held amongst ordinary Dutch people, to discover the level of popularity and knowledge on digital books. Fifty-three men and women participated to this questionnaire. This to clarify the idea whether digital books are becoming more accepted.

1. The road to digitalization

1.1. History of the e-book

According to the Oxford Dictionary of English, an e-book is "an electronic version of a printed book which can be read on a personal computer or a specially designed handheld device" ("Oxford Dictionaires", 2010, "e-book", para. 1).

An e-book, or digital book, is not a recent invention. Yet e-books have taken decades to evolve. Long before Amazon began selling books, thousands of e-books were available to be read and downloaded for free on the Internet (Polanka, 2011, p.2). The first e-book was created in 1971 by Michael Hart, then a student at the University of Illinois. His thoughts on the computer were that it should not primarily be used for computing but it should also be used for the storage of material and offer the possibility to retrieve it and search for knowledge kept in libraries. All of these thoughts were submitted, by Hart, in Project Gutenberg (Sedycias, 2008, "The history and popularity of Ebooks", para. 4). "The premise on which Michael Hart based Project Gutenberg was: anything that can be entered into a computer can be reproduced indefinitely…what Michael termed 'Replicator Technology'. The concept of Replicator Technology is simple; once a book or any other item (including pictures, sounds and even 3-D items) can be stored in a computer, then any number of copies can and will be available. Everyone in the world, or even not in this world (given satellite transmission), can have a copy of a book that has been entered into a computer" (Hart, 1992, "The beginning" section, para. 2).

1.2. Highlights of the digitalization process

Between 1971 and 2003 a lot has happened in the book industry. The first document that was digitized by Hart was the Declaration of Independence. The Gutenberg library was built slowly and it was in October 2003, that the ten thousand volumes were reached. It was a slow process, however Project Gutenberg has been in the forefront of the e-book digitization and collections (Polanka, 2011, p. 4). But other companies were inspired by the Gutenberg Project. Such as the Voyager company, a company formed by Robert Stein, who started the distribution of digital books on CD-ROMS from 1985 to 1992. Besides the distribution of digital books, the development of software for the reading of digital books was a core activity. Robert Steins thoughts on the software was that it brought the service of a book shop closer to home (Martin, 2004, para. 3). Furthermore, John Galuskza, founder of Serendipity Systems, created an e-book display program called PC-Book. This program featured numbered pages and bookmarks. 1998, was without a doubt, a highlight in the digitalization process. It was the year that Nuremedia released the first handheld e-book reader, the Rocket, which allowed e-books to be

downloaded from a PC via a serial cable. It was also the year that SoftBook launched its SoftBook reader. With a leather cover, this telephone based catalogue ordering system could carry up to 100.000 pages of content, including text, graphics and pictures. The year 2000, not only the year of the millennium, but also the year of Microsoft first e-book reader called Microsoft Reader, the year that Stephen King published his book 'Riding the Bullet' exclusively on the Internet. He sold 500.000 copies in 48 hours. It was also the year that Microsoft and Amazon joined forces("Ebook Timeline", 2002, para. 1-19). Amazon being the first online book shop. It was Amazon who's first e-reader The Kindle, got worldwide attention in 2007 through the promotion by Oprah Winfrey ("The history of Ebooks", 2010, para. 8-12).

1.3. Diversity of e-readers

Since the evolving popularity of the e-book and the e-reader, more and more e-readers are being produced and sold. Firstly, the foreign e-readers will be brought to ones attention. Secondly, a Dutch e-reader that is a worldwide success will be explained.

First of all, Amazons Kindle and Kindle 2, were developed and are sold by America's largest online vendor of digital books, Amazon.com. This was the first e-reader to be worldwide promoted on the Oprah Winfrey Show. The result was that the Kindle became the best-selling e-reader in the United States in 2008. The renewed Kindle 2 is very popular, at this moment, while its technology is outstanding. However, the Kindle 2 has two minor disadvantages, namely its price, $ 349, and the fact that the books sold for the Kindle are mostly in English.

Secondly, after Amazons best selling Kindle the Sony Reader, produced by Sony Tokyo, is to found. The Sony Reader is such a success due to the fact of the use of e-ink. E-ink is a specific type of ink which is readable under almost every condition such as direct sunlight or in specific angels. The screen is developed in a way that it does not fatigue the eyes. Sony launched its first version of the e-reader a year before Amazon launched its Kindle 1.0. The Sony Reader is sold at the price of € 199.

Thirdly, the Nook by Barnes & Noble closes up the line. This American firm started by selling e-books online, when they decided to launch their e-reader the Nook. This e-reader has the same applications as the Kindle and the Sony Reader with its e-ink, touch screen and WI-FI. Android, Google's system, is the operation system. With its price of $ 259, the Nook is significantly cheaper than the Kindle, making this a popular e-reader in the United States.

Fourthly, it is quite a surprise to notice that not every big selling e-reader is fabricated in the United States or Japan. The Dutch company Endless Ideas BV launched a e-reader, the BeBook. The BeBook does not differ in quality to the 'big players' on the market such as the

Kindle or the Sony Reader. A real advantage of the BeBook, for the Dutch users, is the fact that the e-books for the BeBook are available from Dutch e-book sellers as well as from foreign e-book sellers. With a price of € 249, its price is slightly higher than the price of the Sony Reader.

Of course, more brands than mentioned above are sold in the world. The market of the e-books is an emerging and evolving market, which gains more and more players. Unfortunately not many sales figures can be found on readers. Most of the figures are estimated and announced by the vendors of the e-readers. Therefore, the e-readers mentioned above were chosen because they are well known, worldwide promoted and popular.

1.4. Tablets

A new and phenomenal invention is the tablet. One can say that the tablet is phenomenal since the popularity and the hysteria that broke out when the iPad got into sale. Customers can read digital books, browse the Internet, play games, take notes and watch videos on a tablet. Furthermore, these tablets can be used to make phone calls. Users only need a compatible headset.

A tablet is a new and improved, even better version of an e-reader. Apple, inventor of the iPad, was the first to come up with the multifunctional tablet that can even replace a handheld computer. Currently, e-readers are technically more fit to read digital books, while their battery has a longer life duration, the screen anticipates on sunlight and the main focus is reading. On the other hand, iPad and also other tablets have a wider range of capacity. According to a research by market researcher analyst James McQuivey, manufacturers of e-readers should not focus too much on their competitors in the same industry rather than on manufacturers of pc tablets such as Apple, Dell or Samsung. Moreover, James McQuivey concludes that by 2015 tablets will have suppressed the e-reader. He predicts that there will be twice as much tablets in circulation as e-readers (Redactie AG, 2010, para. 1-11).

1.5. E-booksellers

Since there are a lot of e-book vendors on the international market, one will get a better overview of them when divided into foreign and Dutch e-book vendors.

1.5.1. Foreign e-book vendors

As mentioned before, Amazon is one of the largest e-commerce sellers in the world. It started out as a small company, run out of a garage, selling books online. Besides buying books, customers could also leave reviews of books on the website, making it more an Internet community than a web shop. Amazon does not only sells books but also other media products such as music and movies (Fair, 2002, para. 1). Barnes & Noble, has a

whole other structure. It started out as a bookstore but it also developed an online web shop for books. They sell approximately 300 million books per year. In 2009 Barnes & Noble launched the largest e-book store as a part of its overall digital strategy (Our company, 2010, para. 1). Besides Amazon and Barnes & Noble, eBooks.com is an all online book shop. They core business is the selling of books in multiple electronic formats in all sorts of categories. It is the leading retailer of downloadable books to computers, mobiles and PDAs. It was also the first website that let its buyers have a look into the book online (Consumers, 2008, para. 1). And last but not least, Borders also urns an appointment. Borders started as a small book shop in Pittsburgh in the United States. In 2008, Borders started its own e-commerce on their website. To facilitate reaching people all over the world, Borders became partners with Kobo, a global e-reading service, to deliver e-books ("About us", 2010, "Our history", para. 1).

1.5.2. Dutch e-book vendors

With an assortment of two million products, Bol.com is the largest media store in the Netherlands. Just as many other companies Bol.com does not only specialize in books, but they have enlarged their assortment with toys, DVDs and music (Bok, 2010, para. 2). But there also are other large Dutch online vendors. Such as, eBook.nl, which is one of the largest in the Netherlands. This e-commerce is part of the Dutch publishers NDC|VBK, a large media company where leading products and services in the Dutch linguistic industry are being made. They try to make as much Dutch books as possible available to the Dutch public ("eBook", 2010, para. 2). Other Dutch websites where e-books can be bought are www.blz.nl, www.libris.nl and www.selexyz.nl. Though the assortment is large, a smaller percentage of all the books are Dutch. Most e-books are (mostly) English, French or Spanish).

1.6. Target groups

To better understand every aspect of the digitalization of the book industry, it is also important to pronounce the target group. One can conclude that the target group for the e-reader is very broad and varies. The main target group are people that love to read during leisure time. However, above all they need to be able to afford an e-reader.

Besides the 'leisure reader' also people that have to read a lot for work can be targeted. The e-reader actually offers them many benefits, while there is the possibility to put several books on one device. It is even possible to work with the text and the document, which makes it even more suitable for professional use.

College students are also related to the target group. First of all, e-books are cheaper than the printed versions, and it is commonly known that students usually do not have an extensive budget. E-books can be downloaded on PC's so an investment on an e-reader would not even necessarily be needed. However, an e-reader could be more useful given the fact that a laptop has several distractions with its many possibilities like chat, games and the internet.

Even people with a physical disability like arthritis have benefits of using e-books and an e-reader. The primary form of arthritis is osteoarthritis which usually affect hands, feet, the spine, which makes moving painful. For people who have a disease like this, and who love reading – or even just want to read a newspaper-, an e-reader would be the perfect solution. The device is light, various books can be installed on it and it is easy to turn the pages. It will save the person a walk or a drive to a book shop to get a book or a newspaper ("eReader Target Markets, 2009, para. 1-7).

As one can conclude, the target group is very broad and not to define with only a few words. This can mean that there are many opportunities to make digital books a huge success.

2. The crash of the music industry

The book industry is digitizing in a rapid tempo right now and everyone has another view on this. Academics will continue to offer free downloadable e-books on the Internet. Authors will use the Internet as they explore e-books in their literary work. Consumers will make purchasing decisions based on cost. If the consumers find that costs are too high, they will find ways to download or share e-books illegally, for free or at a lower price. If this situation seems familiar, it is because the (digital) music industry has been through a similar process (Polanka, 2011, p. 17). The book industry could perhaps learn from the digitizing process in the music business.

2.1. The music industry

Today's music industry is nothing more alike than it was years ago. The music industry, suffered a lot of changes due to the influence of the digital technology. This will try to link the digitizing music industry to the book industry. Therefore, questions that need to be answered in this chapter are; How drastically did the industry changed? What were the changes? And what were the negative and positive consequences? Was there anything that could have been done to prevent the so called downfall? And most importantly, was it really a downfall?

The music industry includes much more than only the music itself. It consist out of composing music, recording music, selling the music and performances by artists and musicians. Besides these factors many other factors are involved such as producers, engineers, publishers, studio's and so on. Music is a part of life since humans are walking this planet. The music industry however, started in 1890. It was better known as the sound recording industry, with the phonograph discs. The three large companies that started out during that year, 1890, were Victor, Columbia and HMV. Nowadays these companies still are the big players in the market. As from the year 1900 the success of the record industry was phenomenal for two decades. It became one of the most important, and profitable industries. Nevertheless, record sales has changed drastic over the years, from LPs to cassettes , to CDs, to MP3 players. These changes had led to dramatically changes and shifting in sales figures (Morton, 2010, para. 5).

2.2. The downfall of the music industry

With improving techniques, and as the result of wars, crises' and prosperity the music industry has gone through al kind of different stages. The music industry has known several crises since the world wars, but the downfall relevant to the research, is the one that started in the late 90's. With the downfall of the music industry in the late 90's, one means the occurrence of downloading, peer 2 peer file sharing, piracy, MP3's and Digital Rights Management.

2.2.1. Piracy, P2P file sharing and Napster

In 1999, a file sharing program dedicated exclusively to music file sharing, called Napster was established. It was Napster who introduced peer to peer file sharing, often abbreviated as P2P. P2P file sharing allows users to swap songs with no regards for copyright infringement ("The past, present, and future of downloading Music on the Internet", 2010, para. 1-2).

The infringement op copyright, is the violation of the exclusive right to the publication, production or sale of the rights to a literary dramatic, musical, or artistic work, or to the use of a commercial print of label, granted by law for specified period of time to an author, composer, artist or distributor ("Your dictionary", 2010, "Copyright", para. 1). This violation of copyright in the music industry, is better known as, illegal downloading or piracy.

Unfortunately, illegal downloading became more and more popular. People throughout the world downloaded more and more music and the industry started to notice the effect of piracy. Worldwide sales of CDs started to fall rapidly. The music industry noticed the effects of P2P file sharing and decided to stop Napster. As a result of this decision, Napster was successfully sued and had to shut down. However, the shutting down of Napster did not impress other P2P file sharing programs. Many more programs followed such as Kazaa, which eventually had to shut down as well, Limewire and Morpheus. This second wave of P2P programs also increased the potentially threatening software, including adware, spyware and computer viruses ("The past, present, and future of downloading Music on the Internet", 2010, para. 3-4). By trying to stop this second wave of P2P, Digital Rights Management, is an often used weapon against illegal downloading.

2.2.2. Digital rights management

Digital Rights Management, abbreviated to DRM, is the generic term for the technologies that regulate how products such as MP2s, DVDs and software can be used. The products are foreseen with restrictions. DRM can restrict access, restrict multiplication, restrict distribution and restrict revision. Due to the many restrictions, and therefore the control that is being practiced, DRM is a great weapon in the ballet against piracy. Not only piracy in the music industry, but in the entire entertainment industry. DRM can be found in many different stages such as, region codes on DVDs, making it impossible to watch a DVD bought in the United States on a DVD-player purchased in the Netherlands. Another example is MP3s with restricted playoff possibilities. For example, music purchased in the iTunes store can only be played on the iPod. Furthermore, copy restrictions on CDs can be pointed out as DRM. Printing restrictions on digital books can be pointed out as DRM.

At the same time DRM provides an expansion of the possibilities of the control on digital products by the producers of those products. Moreover, some forms of DRM allow producers to change the conditions afterwards (Brinkerink, 2006, para 1-6). Either way, whether the influence of DRM is positive or negative is rather discussable. To reach a clearer overview sales figures need to be analyzed.

2.2.3. Sales figures recording industry

It was not until 1999, that CD sales started to decrease. Before that time, increasing sales figures were the trend. While some researches show that there is no link between the dropping CD sales and the P2P file sharing, academic and market research, by the International Federation of the Phonographic Industry, strongly suggest a negative relationship between illegal P2P file sharing and CD sales figures ("The impact of illegal downloading on music purchasing", 2009, para. 1-15). Below, find a clarification of sales figures.

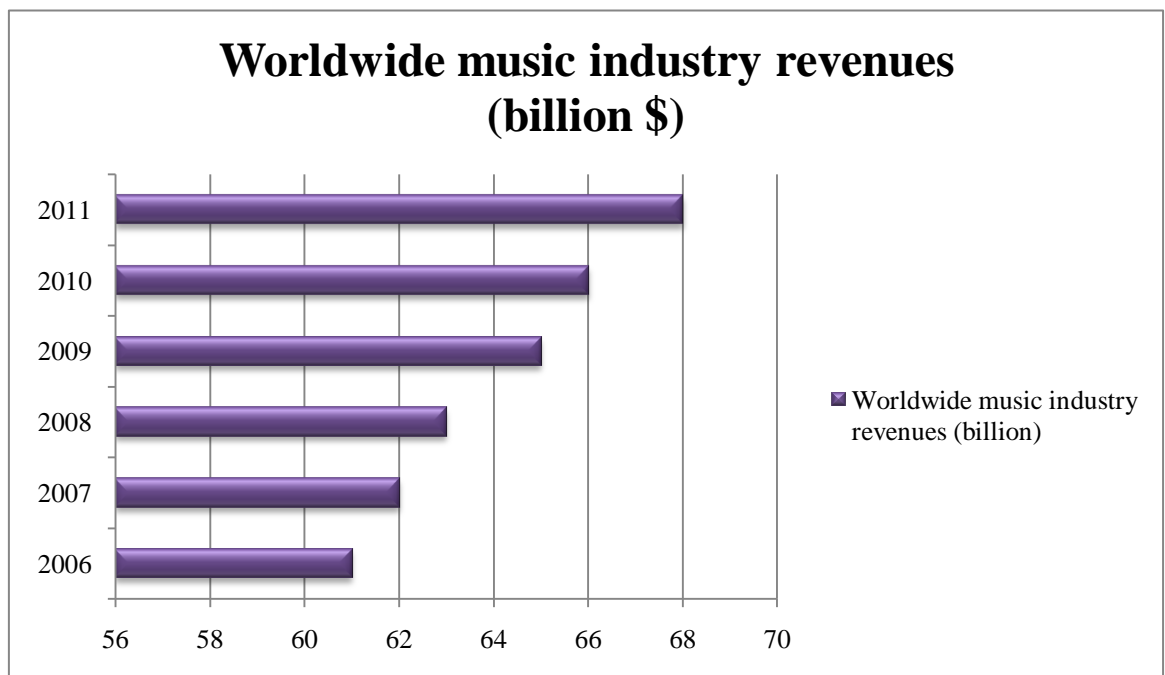Chart 1: Worldwide music industry revenues (artists, concerts, physical sales)

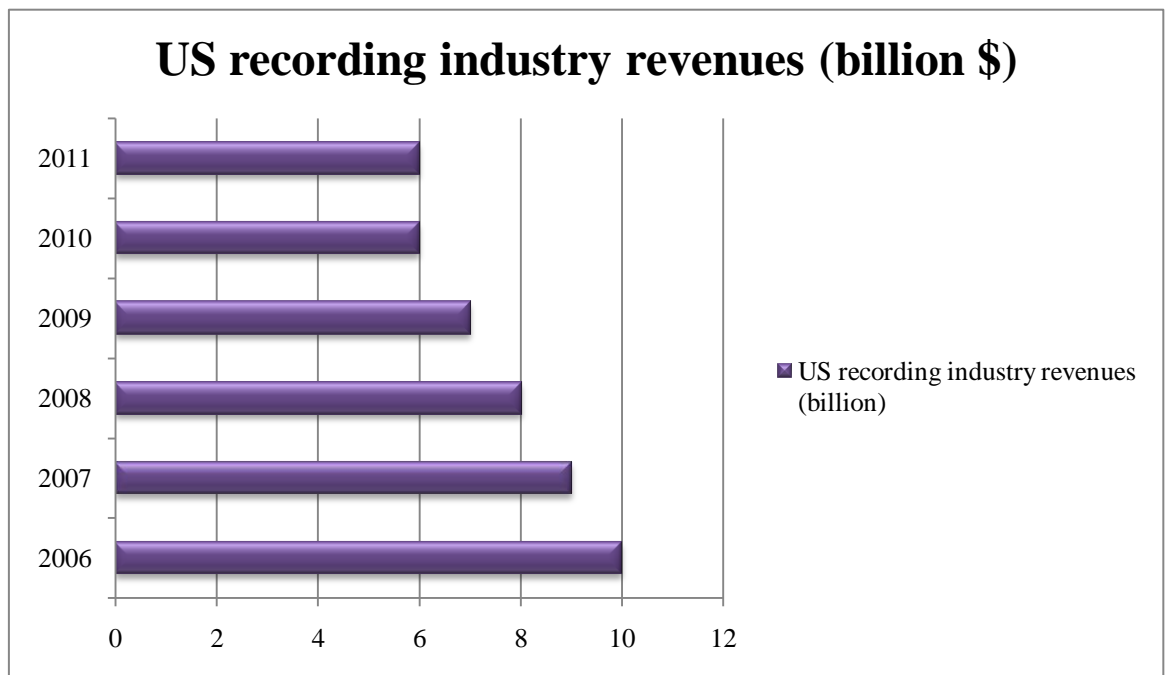Chart 2: United States recording industry revenues from physical sales
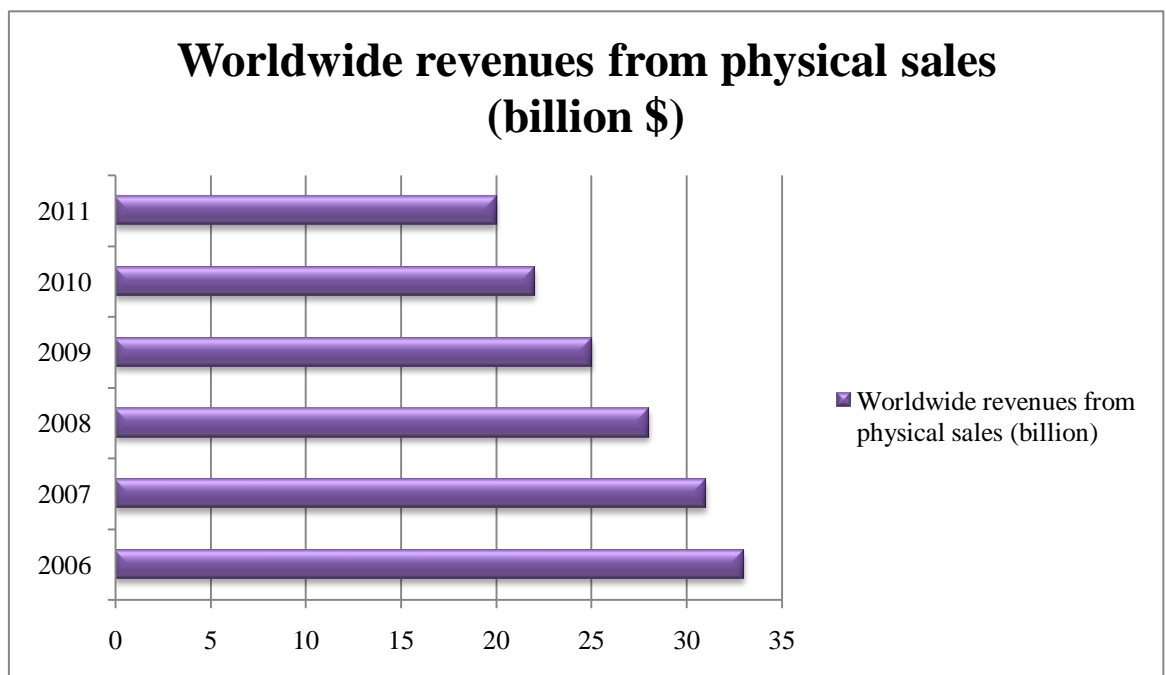
US recording industry revenues (billion $)

(Horizontal bar chart showing US recording industry revenues (billion) by year)

- 2011: ~6
- 2010: ~6
- 2009: ~7
- 2008: ~8
- 2007: ~9
- 2006: ~10

Legend: US recording industry revenues (billion)

X-axis: 0, 2, 4, 6, 8, 10, 12

Chart 3: Worldwide recording industry revenues from physical sales

Worldwide revenues from physical sales (billion $)

(Horizontal bar chart showing Worldwide revenues from physical sales (billion) by year)

- 2011: ~20
- 2010: ~22
- 2009: ~25
- 2008: ~28
- 2007: ~31
- 2006: ~33

Legend: Worldwide revenues from physical sales (billion)
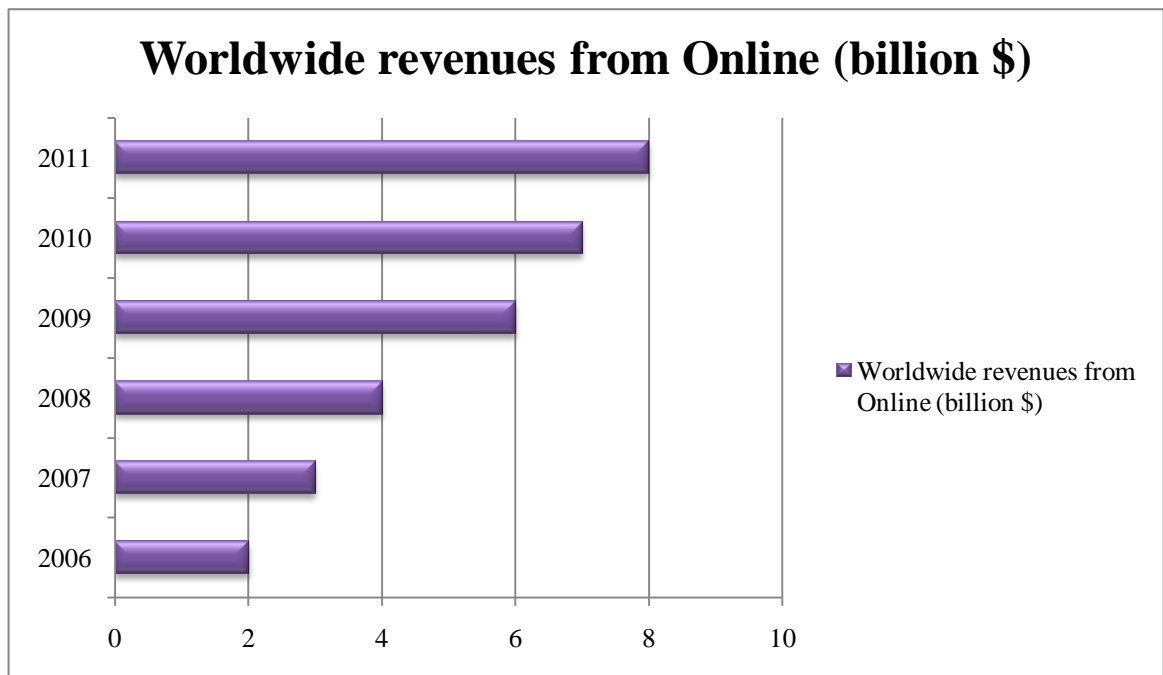
X-axis: 0, 5, 10, 15, 20, 25, 30, 35

Chart 4: Worldwide recording industry revenues from online (including legal P2P services)

Worldwide revenues from Online (billion $)

Increasing revenues from online recording sales, decreasing physical sales, as seen in the tables, could be a result of piracy and illegal downloading, although there is definitely a connection with online music purchasing. The statistics show that there is no decrease in revenue for the music industry. However, there is a consistent growth noticeable. People shall always be willing to see their favorite artists perform. Furthermore, artists gain great profits out of products they sell or promote. Nevertheless, it is sure that the digitalization in the industry has had great impact.

The decreasing physical sales figures, are a result of the increasing revenues from online sales, and as a result of this, less record stores keep their attention focused on records only. Meaning, that artists also have to shift their focus from records to online sales and other profitable sources ("Worldwide Music Industry Revenues", 2010, para 1-2).

2.3. Organizations and artist representing the music industry

The digitalization of the music industry had created some shifts in the recording industry. And indeed, artists, producers and all other parties involved needed to adjust to the changing industry. The shifting from CDs to MP3s, is not an unconquerable transformation. However, the illegal, free downloading of their music caused a loss of profit. To inform and protect artists, producers, vendors and all other parties involved, large organizations were established and also artists flexed together to stick up for themselves and to protect their legacy.

2.3.1. RIAA, IFPI, protecting the copyrights

One of the largest organizations, representing the music industry, is the RIAA based in the United States. The Recording Industry Association of America, is a trade organization that supports and promotes creative and financial vitality of major music companies. Its members create, manufacture and/or distribute approximately 85% of all legitimate recorded music produced and sold in the United States. It is also the RIAA that awards the artist with gold, platinum or diamond records, depending on how much they sold ("What we do", 2010, para. 1). Furthermore, they also participate in the collection, administration and distribution of music licenses and royalties ("Recording Industry Association of America", 2008, para. 1-2). The RIAA is deeply involved in the fight against piracy of music. They reach out to people through education, innovation and enforcement. In order to force back online piracy they offer fans legal alternatives for illegally downloading, seeing this as one of the most effective anti-piracy strategies. Other than offering legal alternatives they also educate. They work with respected educational leaders to develop curriculum and other forms of intellectual property. As a last resort in the battle against piracy the RIAA brings lawsuits to protect the rights of major record companies ("Piracy online", 2010, para. 1). Since the worldwide record industry is not only located in the United States, there are also other organizations. And since the size of these companies, it shows that they are wanted.

A similar organization as the RIAA, is the IFPI, International Federation of the Phonographic Industry. The IFPI represents the recording industry worldwide while being an affiliate of the RIAA at the same time. The IFPI has about 1400 members in 66 countries and affiliated industry associations in 45 countries. The IFPI promotes the value, safeguards the rights and expands the commercial uses of the recorded music. The IFPI has seven key areas of work; anti-piracy enforcement, technology, lobbying of governments representation in international organizations, legal strategies, litigation, market research and public relations ("IFPI's mission", 2010, para. 1).

It is important that large organizations such as the RIAA and the IFPI cooperate and use their power and knowledge to protect and advice artists, producers and vendors. Organizations as these, are very useful and should be established in every sector that is digitalizing or going through similar changes.

2.3.2. Artists united

Celebrities are also participating in the battle against piracy. After all, it is also affecting their income. Therefore lots of artists have spoken out against music piracy, in groups as well as individually.

The "Artists against piracy" group is an artist-driven coalition formed to give recording artists, a voice in determining how their music is distributed on the Internet. This group of artists was set up when Internet downloading became more and more popular. Big names such as Metallica, Dr. Dre, Bon Jovi, Christina Aguilera, DMX, Faith Hill and many more signed up to be a part of this coalition (Internetnews.com Staff, 2000, para. 1-8). A more recent coalition of artists is the Featured Artists Coalition including Tom Jones, Annie Lennox, Radiohead, Robbie Williams, Sia and many others. They campaign for the protection of performers'' and musicians' rights. The featured artists believe that they need to take control of their destiny and their music, so that they can make the most of the opportunities presented by digital technology ("Who we are", 2010, para. 1-9). Furthermore, the website musicunited.org gives an overview of all the artists who are against piracy, and the list is long.

There are two commonly used arguments by artist in their battle against piracy. First of all, new upcoming artists do not really have a shot in the industry while their singles are being downloaded right away. Second of all, the fact that people are 'stealing' a song hurts the artists in their income. Downloading a record illegally can be compared, according to the website, with shoplifting a CD. And instead of albums being sold, the albums are being downloaded on the Internet without the artists ever seeing a dollar for it in return ("What the artists and songwriters have to say", 2010, para. 1). Not all artists, are impressed by piracy. Radiohead, who have now joined the Featured Artists Coalition, took matters into their own hand in 2007. Their new album 'in Rainbows' was presented on their website. Consumers got the chance to pay for the album whatever they wanted. Fans could even purchase the album for free (Xeni Jardin, 2007, para. 1-2).

The digitalization of an industry always has positive and negative sides. Within the music industry the impression was made that piracy would demolish the industry. But there will always be a way to deal with it. Whether it is through fighting piracy, or cooperating with iTunes.

2.4. Linking the music industry to the book industry

The book industry will be noticing the impact of illegal downloading and digitalization, just like the music industry noticed it. At the moment it is already possible to illegally download books for the e-reader. One can even find movies on YouTube where people explain in short films how to do so. In order to protect the digital books as much as possible, the book industry already uses DRM to protect their products. However, as seen in the music industry, DRM did not stop people from downloading illegally. And besides this, DRM makes it often difficult to connect books with the e-reader.

The book industry could learn a lot of the stages of changes the music industry has experienced. A thorough research to find out customers wishes could help the industry a lot. People love reading and it is something that they will always do. However, it is important that book shops find original ways to keep their core business running. The past years a lot of record shops have had to close or had to shift their core business. For example, the Dutch 'Free Record Shop', does not only sells CDs anymore. One can find DVDs, games, electronic devices and concert tickets. The expectation is that the digitizing trend will also be a significant challenge for the book shops.

Still, the digitizing trend will continue and therefore digitalization should be embraced. It is important to find out the correct way to deal with it, to find the right way to connect with target groups and more important to find innovative ways to be unique.

3. Dutch book industry

In the first four months of 2010, 12.4 million books were sold in the Netherlands as against 94.000 e-books. ("Boekverkoop Nederland daalde licht", 2010, para. 1-4). And the sale of digital books is still rising. The Dutch website www.bol.com took the lead in 2009 with the sales of e-readers and e-books. Apple's iPad gave an extra boost to the sales figures. This growth will continue, due to the introduction of new equipment, techniques, Amazon and Google books (Illegems, 2011).

The changes are rapid, and in order to add recommendations, it is important to be aware of the reactions of the parties involved. Not only the reactions, but also the solutions, tactics and strategies.

3.1. Publishers in the digitizing era

According to Janke (2011), "Publishers have embraced the e-book as a new product model but still have a great deal to absorb in order for it to be a sustainable component of their business(..)Technology is not the only challenge, though, as publishers are changing their traditional editorial and production processes to become more efficient at publishing and distributing digital content" (p. 153).

3.1.1. Publishers core business and income

Publishers work might seem simple. They have one goal in mind for a book: develop it, produce it, get it to the customer. This might seem like an overly simple process, however it is an involving ordeal that publishers always try to perfect, to keep cost effective and to make profitable. For the printed book, publishers created editorial models that allowed them to build publishing programs that would brand them as specialists in one or more disciplines. The core function, for the printed work, is the editorial process. This entire process is built on the foundation that the content would be bound and printed.

The arrival of the e-books, brings along a new set of challenges. There is the process of converting word files into coded files such as XML that is used on an e-book platform. Besides this, the perplexing rights management is an issue; electronic rights are needed even when one has secured print rights. And the biggest challenge must be deciding how many books to print with the knowledge that an electronic version's sales could displace print sales. Print sales are declining. It is therefore important that publishers find ways to handle these changes (Janke, 2011, p. 153 – 157).

The income of the publishers is mostly related to the selling price of a book. In the Netherlands, in terms of the printed book, the product price is up to 20% of the selling price. Up to 40% of the selling price is for the representative, which is usually a book shop. The remaining percentage (40 – 55%) is for the publishers. Due to the fact that the product

price of an e-book is about 20% lower than the price of a printed book, the selling prince of an e-book is also at a lower rate ("e-boek", 2010, para. 2). The financial mind-set of publishers has been changed due to the economics of digital books. Their expectations should be adapted or adjusted. However, the digitalization of books does not automatically mean that the publisher income will deteriorate. E-books present some efficiencies such as the distribution costs. Distribution is far more cost effective for e-books, because there are no fulfillment, inventory, and shipping costs. The costs of processing returns disappears too. Besides these efficiencies, publishers can sell digital books in several ways. They could use a customized platform of their own, they could decide to sell the books via another platform, for example via www.bol.com. Or they could decide to sell 'pay-per-view'. This is more applicable to academic books (Janke, 2011, p.157). Victoria Barnsley, CEO of HarperCollins, advices publishers to difference with their digital products. They could for example present short and enriched digital books. Or use other models such as subscription services or a lending model ("Omzetverlies voor uitgevers door overstap naar digitale boeken", 2011, para. 1 – 4). Naturally the publishers will find ways to go along in the digitizing process, but every advice should be welcomed with opened arms.

3.1.2. Publishers mentality

It is a fact that the book industry is captured in a process of transformation. It is always a challenge to adapt to new circumstances. But with the digitizing of the book industry, which cannot be stopped, it is important for the publishers that they prepare for the coming changes.

The book "State of Print" by Bas Vermond gives a distinct overall picture of the current position of publishers. His book contains ten interviews with publishers. Small publishers, large publishers, literary publishers and Christian publishers. Seven out of ten publishers are situated in the book market. According to Bas Vermond (2010): "The seven publishers acknowledge that it is currently not going well in the industry. The circulation of books collapses and the time of publishing books, making easy money has passed. One of the biggest challenges is to seek the customers". Furthermore it turns out that: "When it comes to the e-book, there is a striking difference between the publishers. Where one publisher sees many opportunities, another publisher does not foresee e-books any time soon to be a common property. The word emphatically used in every interview is 'experimental'. While publishers are still experimenting how to fit the digital developments in their organization". Moreover he stresses that: "publishers are divided on the selling price of e-books. Some feel that the price should be at 50 percent of the physical book. Others feel that the price of an e-book should be the same as the price of a physical book". Adjacent to it, it becomes clear that publishers feel that investments should be made in better

protecting systems since they are not content with the protection that Digital Rights Management offers. Yet, the publishers see the future roseate for themselves but not for their competitors. They feel that some publishers might disappear. Surely the conservative publishers. This thought is shared by Dirk Visser, a Dutch lawyer and professor intellectual property right. According to Dirk Visser (2010): "conservative publishers are being self-destructive by rejecting digital publication of books. By rejecting digitalization of the book industry they are stimulating the illegal circulation of the digital books. Since the books will be published anyway, it would be better to fight illegal downloading by providing legal, digital versions of the book" (para. 1-8). However, there already are some publishers that have followed the counsel of Dutch professor Dirk Visser. These publishers have seen the value of participating in the ongoing digitizing trend. Participating publishers "Querido & partners", like many other large publishers, digitalize nearly every title that appears on print. They set an example for the more conservative publishers. Therefore, it is important that the publishers go along in the process. They should try to take the lead in innovativeness.

3.2. Authors

As seen in the first chapter, author Steven King already published his first e-book 'Riding the Bullet' in 2000. Services were so busy that many people were unable to download the work. The year after, Steven King decided to sell his novella 'Under the Dome' at a $ 35 list price for the e-book edition (Galbraith, 2011, p. 15). But how about the Dutch authors? Are they also innovative, enthusiastic and ready for e-books as Stephen King is?

3.2.1. Open minded and innovative authors

Leon de Winter, a Dutch author, perhaps one of the most innovative authors with regards to digital books. He is participating actively in the digitizing development of the book industry, with the creation of his Internet platform 'C-shed'. 'C-shed is an Internet community were authors can open up their own store, chat with readers and swop information. Leon de Winter had two main reasons to start 'C-shed'. Firstly, he has the fear that authors will become to depended of large companies such as Amazon or Bol. And secondly, he was afraid that he could not pay his rent if he sells his books in e-book form through a channel. 'C-shed' opened in the summer of 2010 (Jager, 2010, para. 1 – 3).

However, not every authors is enthusiastic about the digitizing book industry. Publishers that are more conservative towards digital books will not publish the digital equivalent of the book. Furthermore, there are still authors that are not well enough informed and therefore they have more restraint towards digital books.

3.3. book shops in digitizing times

A big uncertainty that arises for the owners of book shops is whether the concept of the physical book shops is to be fit in the digital age or not. Prices of digital books are not documented, new target groups are evolving and new players on the market appear. Besides that, an e-book is something that cannot be held and book shop owners should try to find new ways to offer their stock. They could for example offer digital books in the store through a network connection and a laptop. The entire system that they have known for years is changing and this brings some uncertainties. Main question for them is; is the concept of the physical book shops to be fit in the digital age or not?

3.3.1. Working party 'Digitalization'

In order to assist and inform the book shop owners, the Dutch working party 'Digitalization' was founded. Their report of 2009 gives a clear overview of how to anticipate and participate with digitalization. Moreover, they give a clear threats and opportunities analysis for the book shops. These threats and opportunities are described in the following paragraphs.

3.3.1.1. Threats

The threats that are quoted in the report of the Dutch working party are divided in threats for the book shops concerning e-books and threats for the physical book shops.

The threats for the book shops concerning e-books could be:

1) Competition from new players on the market and parties that are not familiar with the branch;
2) High rate of value added tax;
3) Lack of a fixed book price;
4) Digital products as an immediate competitor of the physical book;
5) Declining turnover as a result of illegal distribution via the Internet.

The threats that could appear for the physical book shops are:

1) Expertise of staff in the book shops does not cover the acquired knowledge for a web shop and for the turnover of e-readers and e-books;
2) The customer will choose the Internet over the physical book shop for digital products.

3.3.1.2. Strengths

The book shops are facing some potential threats , however there are also a lot of opportunities for the book shops.

Opportunities that book shops have concerning the e-book:

1) Their reputation among their customers;
2) Their service, specialism and advisory position;
3) They could take on a function as intermediation expert;
4) The book shops will have the chance to attract new target groups.

There are also some strengths that a book shop has against an e-book:

1) The atmosphere in the book shops;
2) There is a manageable range and higher chance of additional sales.

Book shops will possibly have struggles in the coming period of technology but it does not look bleak. Book shop owners could learn from each other as well as from large online stores such as Amazon or Google books.

3.3.2. Taking the lead

For book shops to be successful in changing times it is important plan out a long term working business model. The emphasis here will be primarily on differentiating. Book shops could pursue after the example of America's largest book 'Barnes & Noble', who shifted its core activities from physical book shop and paper books to Internet activities. Besides that, book shops are strongly recommended to be the best in communicating their digital interest to the rest of the world. Moreover, it is important to exploit the digital environment by also selling physical books (Damwijk, et al., 2009, p. 4 – 20).

3.4. Libraries

One could wonder how libraries could function, or even can continue to exist in digitizing times. After all, the primary activity is the loan of physical books. Anyhow, even libraries cannot escape the digital progressing of society.

3.4.1. Digitizing

Digitizing a library is an intense, long and expensive process. The business model of a library should be reconsidered from beginning to end. Investments should be made in special programs to digitize their collection or to purchase e-books. Furthermore, a library should be investing in Digital Rights Management, or any other protective system, which makes it possible to deny access to an e-book after a certain period of time. They must consider whether they should also invest in e-readers. Dutch libraries are already experimenting with loaning e-books. Moreover, academic libraries have a step ahead while they already started to digitize their archives.

3.4.2. Dutch Public Libraries Association

The Dutch Public Libraries Association, an umbrella organization connecting al Dutch libraries, recently held a study to find out what the wishes of customers are towards the future libraries. Their study showed that 20% of the respondents would like to see e-books in the library. The same study showed that the final goal of Dutch public libraries is the development of the libraries into vital public facilities that are independent of commerce. Furthermore, there are lots of opportunities for the libraries to become appealing distribution channels (Bangma, Korte & Limonard, 2010, p. 4-15).

There is thus a need for digital books in libraries. The Dutch Public Libraries association encourages the libraries, to digitize their collection, to add e-books to their files and to facilitate the libraries in order to attract a more diverse public.

3.5. Dutch law and politics

Almost every working person in the Netherlands is protected during work by several laws or collective agreements. But what exactly are the rights of the authors and how are they protected?

An author works more as a private individual and is therefore protect by the copyright. This laws regulates three important rights of an author. Firstly, it regulates the publication of the authors work, whether this is a book, an article or a paper. Secondly, it regulates the duplication of the work. Finally, copyright assigns moral right to the author. The main purpose of moral right is the protection of the ideological interest of the author (Auteursrecht, 2011, para. 1 – 5).

Law wise digital books do face some issues. This first problems that occurs is the rate of the value added tax. On physical books this is a six percent rate while on digital books the value added tax remains at 19%. Progressive publishers are continuing to lobby for a six percent rate of VAT on digital books (Joosse, 2011, para. 1 – 3). Secondly, physical books are sold, in the Netherlands, at a fixed price. This has been registered in the 2005 'Law of Fixed Book Price', which was established in order to protect the smaller book shops. This was set up due to the fact that large book shops could buy more books at a lower price and sell them with reduction. Without this law, smaller bookshops would have been destroyed by the competition of the larger book shops (Peeters, 2008, para. 1 – 7). However, this 'Law of Fixed Book Price' does not apply to the digital books. And as a result of this vendors of e-books can continue to 'stunt' with the book prices. Something that is considered as not done in the book industry (InCT, 2011, para. 3).

Dutch politicians have recently decided to adjust the 'Law of Fixed Book Price', because in 2005 the digital books were not as popular as at this time. However, this is an ongoing process.

4. Analysis and numbers

In order to come to an overall picture of the current position of digital books in contemporary society, this chapter is dedicated to results of the questionnaire, a SWOT analysis and some current sales figures.

4.1. Questionnaire

Popularity of digital books at this moment is very high in the United States. Up till now the growth of e-readers sold in Europe falls behind on the numbers in the United States, especially because of the success there of the Amazon Kindle (Joosse, 2011, para. 1). However, Dutch media vendor Bol, has rising and promising sales figures of digital books. To get a better inside on the knowledge level of the 'ordinary' Dutchmen, it was important to conduct a questionnaire. Furthermore, the questionnaire was set up to make a statement about piracy. Namely, to prove that illegal downloading is an actual risk for the book industry.

On the next page one will find the results of the questionnaire.

4.1.1. Results questionnaire

This recently held questionnaire is completed by 53 inhabitants of the Netherlands. Of the 53 respondents 75 percent is women. The first striking fact is that although 89 percent of the respondents is aware of e-readers and e-books, none of them possesses an e-reader. Which could mean that 'the average Dutchmen' is not convinced of the digital books. Logically, it could mean that the e-reader is more attractive for the business men and women that travel a lot.

In the next charts one will find percentages, that are applicable on the report and that are worth highlighting.

Chart 5: Awareness of e-books and e-readers

Awareness e-books & e-readers

11%

89%

- aware
- not aware
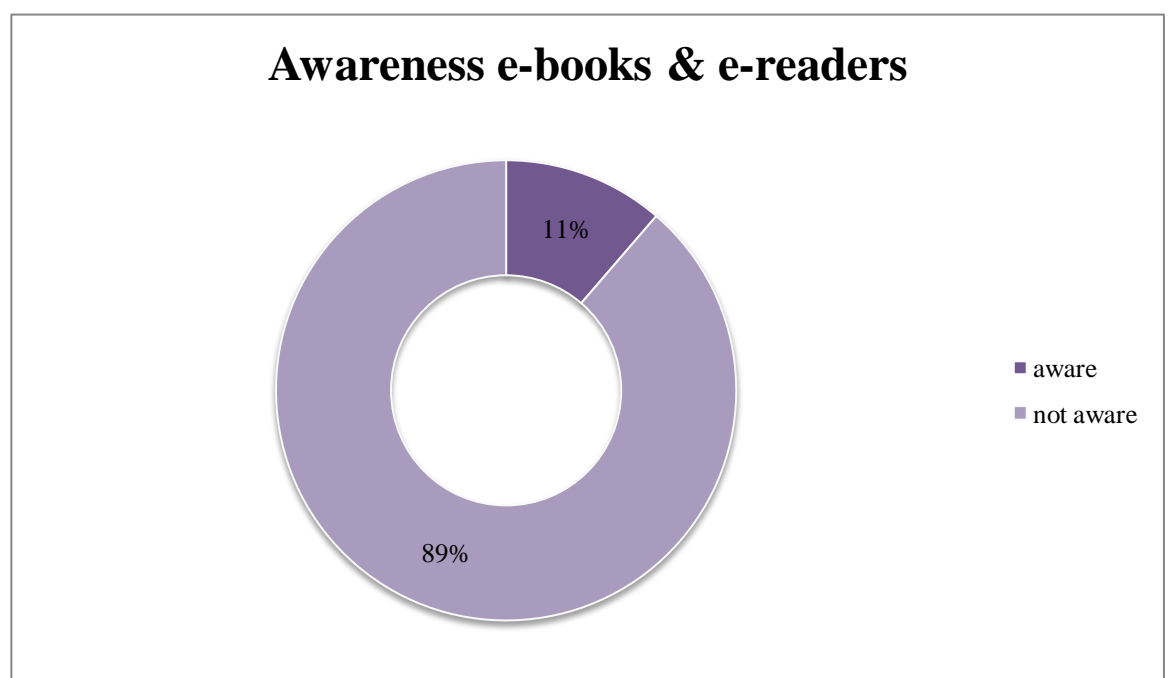
Chart 6: How were the respondents informed about e-books?

Via which canal informed about e-books?

- informed by the media
- posses one
- otherwise
- not applicable

7%

6%

0%

87%
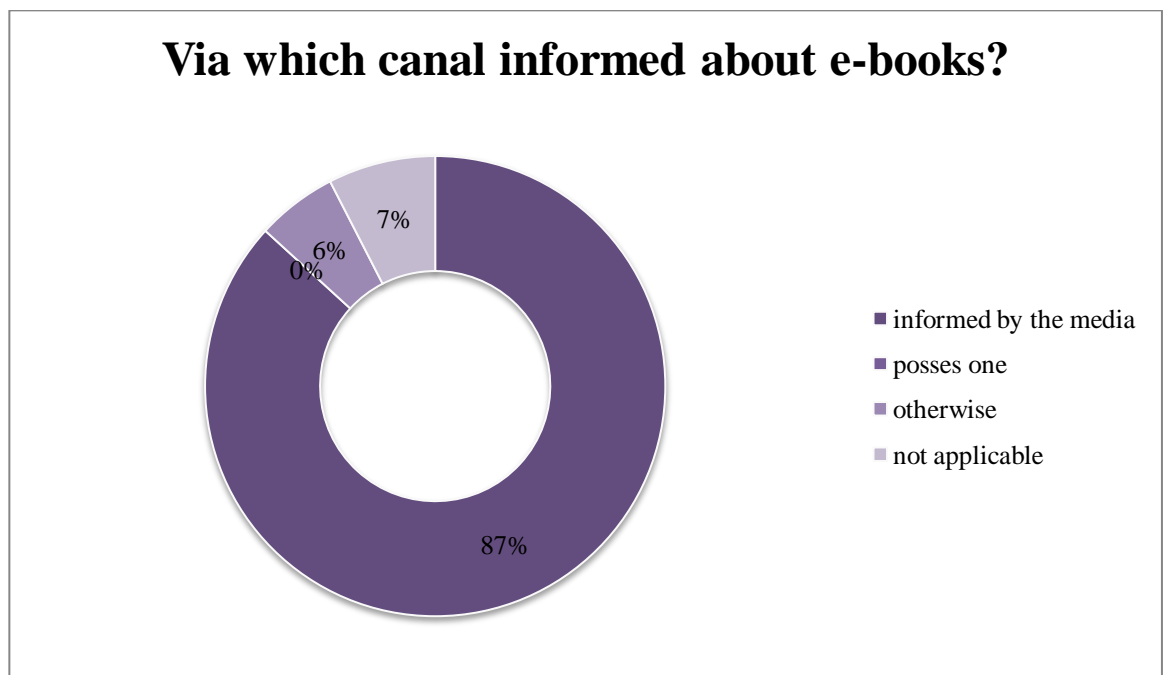
Chart 7: Would you illegally download digital books?

Would you illegally download digital books?

36%

36%

28%

- yes
- no
- do not know
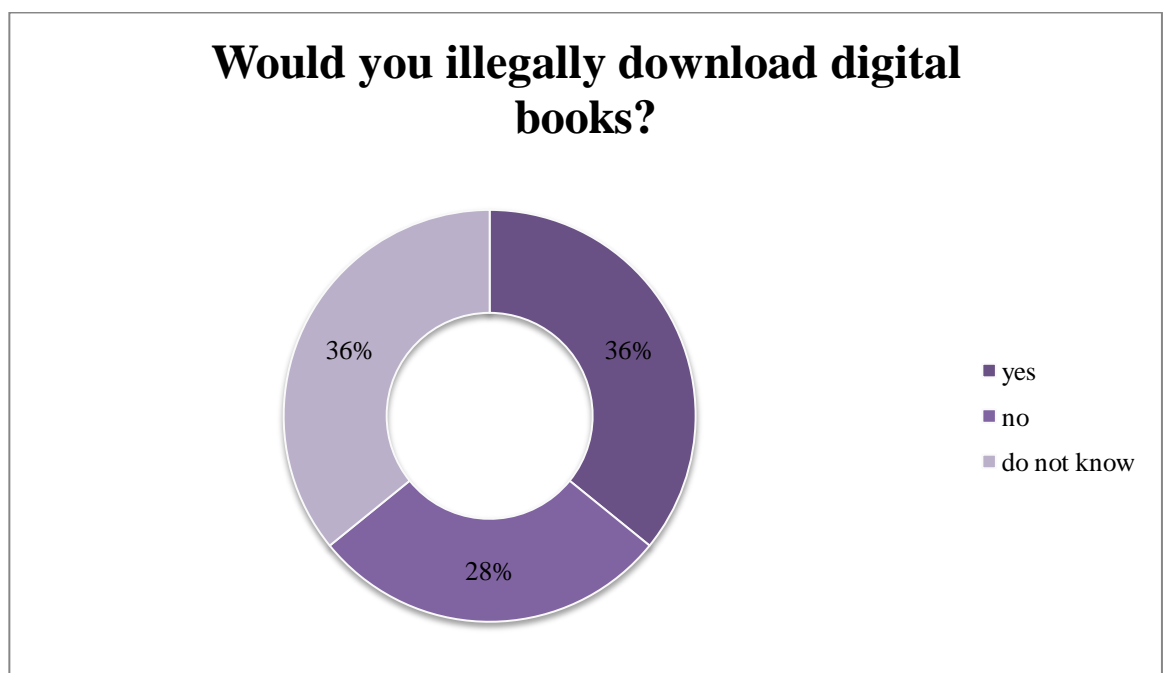
These charts show two important facts. The first fact is a questionable one. While the e-book obtains more and more popularity in the Netherlands, the questionnaire shows another outcome. Namely, that amongst the respondents the e-book is not as popular as amongst other inhabitants of the Netherlands. Secondly, the 36 percent of the respondents states that they would illegally download a digital book if they would possess an e-reader.

This proves that illegal downloading will continue to be a threat for the book industry, if people have the opportunity to do so. Certainly, this is important for the recommendations.

4.2. SWOT analysis

To give a comprehensive overview of the nearby future for the digitalizing book industry, a SWOT analysis is needed. Each point of the SWOT analysis is elaborated in a paragraph.

4.2.1. Strengths

In a society, where digitalization is the ongoing trend, every industry has to adjust to new standards. A strength that the book industry has to acknowledge, is the fact that they have a lead that the music industry did not have. The book industry already has knowledge, and thus resources, to make the digitalization work. The music industry had to find and develop these resources without an example. Furthermore, the costs to publish e-books are just a friction of what it costs to publish a printed book. Having said this, publishers can carry more titles at a much lower expense. Due to this, publishers can explore other niche markets. Moreover, the fact that an e-reader can carry hundreds of books, makes it more attractive for customers to buy an e-reader.

4.2.2. Weaknesses

Firstly, it is important to say that an e-reader is a complex device which makes it less attractive for older generations. The younger generations relate more easily and will not have too much difficulty trying to understand the e-reader. Therefore, it could be assumable that elderly people would not be so interested in buying an e-reader. Secondly, certain e-readers such as Amazons Kindle only read e-books bought at Amazon. An e-reader would be easier in use for the customers, if there would be one publishing format for all e-readers.

4.2.3. Opportunities

E-readers can attract a large target group, because the target group is more extensive. From occasional readers to frequent readers to students. Besides reading books it is also possible to read newspapers or other documents on the e-reader. Furthermore, using an e-reader saves the customer a trip to the book shop or the library. Returning a book too late to the library will not be possible anymore because a loaned digital book cannot be accessed anymore after a certain amount of time.

4.2.4. Threats

While there is so much potential for digital books and e-readers in present day society, the threat of piracy is not an unrealistic one. As experienced in the music industry, piracy can have a great toll on sales figures and on employees and employers in the industry. It is not

surprising that hackers are already finding a way through security systems. Ordinary people can buy equipment which makes it possible to scan books and put it in a compatible e-reader format, such as PDF. Facing a threat like this does not make it any more attractive for authors to start the digitalization of their collection. Besides the threat of piracy, there is also a potential threat for the smaller book shop owners that might not be aware or interested in the digitizing trend of the book industry. They might not know how to anticipate and as a result of this they will probably lose business. Furthermore, a whole new structure and business model has to be build up for book shops. This could be rather difficult to implement for a smaller book shop, while they perhaps do not know where to start. Besides that, there is a potential threat for the publishers who might feel left out of the digitizing process. After all, digitalization makes it much more easier for authors to write and publish their own books (Williams, 2010, para. 1 - 4).

4.2.5. SWOT analysis overview

In conclusion of the SWOT analysis a comprehensive table can be found below.

Strengths	Weaknesses
1) The book industry has had the example of the music industry which brings along advantages. 2) Lower publishing costs e-books. 3) E-reader can carry over more than 100 books.	1) E-reader is a complex device. 2) There is a lack of one publishing format.
Opportunities	Threats
1) Large target group. 2) E-reader also has other options besides reading e-books. 3) An e-reader saves a trip to a book shop or a library.	1) The threat of piracy as it occurred in the music industry. 2) Adjustment problems for smaller book shops. 3) Adjustment problems for publishers.

5. Recommendations

In order to give good and comprehensible recommendations they are divided in the following categories; publishers, authors, book shops, libraries.

5.1. Publishers

Publishers have always been an important chain in the development process of books. After all, it is them who edit and publish the books for the author. With the ongoing changing situation to which publishers should adapt themselves, the following recommendations are made:

- ➢ Publishers should invest in new protective systems, that could replace the current system Digital Rights Management, in order to fight piracy. Publishers agree that DRM is not watertight and that it is not conveniently for customers. Furthermore, it is important that such a system is installed in order to protect the authors work.
- ➢ Publishers should carefully, though rapidly, construct new business models that aim for a balance between physical and digital books.
- ➢ Publishers should lobby for the establishment of a fixed price for digital books to the example of the Dutch 'Law of Fixed Book Price'. Furthermore they should lobby to decrease the Value Added Tax on digital books from 19 percent to six percent.
- ➢ Publishers should offer a broad collection of digital books. In this way it becomes less attractive for folks to illegally download digital books.

5.2. Authors

The creation of a book starts with the author. They are responsible for writing or creating a book. In order for them to have a comfortable transition to the digital publishing of their books, the following recommendations are made:

- ➢ Of each physical book that an author publishes they should also publish the digital equivalent.
- ➢ Authors should see digital books as an opportunity. By also publishing their books digitally they could reach a larger target group. The barriers for buying a book will become much lower since people only need an Internet connection to harvest a book.
- ➢ Authors should thus expand their distribution channels. They could sell physical books in a store or in an Online store. Moreover, they can offer the digital equivalent of their book on certain platforms.
- ➢ Authors should install project groups, consisting of authors, to meet and discuss about the digitizing process. These project groups can collect and minister all the information, updates and trends on digital information. Furthermore, these project groups are recommended to set up a web site and share all the gathered information. Access to the web site will be granted after one has registered.

5.3. Book shops

Currently, the book shops are facing difficult times. The main concern that book shop owners have is whether the concept of the physical book shops is to be fit in the digital age. It will be a difficult task, however, the book shops could be more hopeful after reading the following recommendations.

> ➤ Book shops should invest in innovativeness and creativeness. Book shop owners will have to find ways to deal with the digitalization of the books. They will have to find other channels to sell books, whether it is a printed book or a digital book. Book shop owners should thus expand their core business by for example selling magazines, games or toys.
> ➤ Book shop owners are recommended to create a multifunctional store, even if it is a smaller book shop. One could do this by installing a network based computer in the store on which customers can buy e-books and directly download them on their e-reader or tablet. To achieve this, each store needs a trained staff member to guide the customer through the process.
> ➤ Book shops should be aware of the existence of an informative organ that can help them with the process towards coexistence between printed books and e-books. An informative organ can consist out of several progressive and leading figures in the branch. Such as the Dutch Book Shops Association, which consists out of managers and consultants from Dutch book shop chains. They have written a plan for smaller book shop owners, in order for them to be informed about the upcoming changes. Besides this, the Dutch Book Shop Association tries to make the retailers more aware of their options.

5.4. Libraries

Just like book shops, libraries worry about the concept of a physical library in a digitizing society. As said before, this will be a difficult task however, it is not an impossible one. To prove that it is not impossible, the following recommendations are outlined.

> ➤ Libraries should also invest in a new protective system for digital books. The current Digital Rights Management system is not fit enough for customers. However, it does make it possible to deny access to the book after a certain amount of weeks. Libraries should cooperate to find a innovative and good function system that is also use-friendly.
> ➤ Libraries are advised to join the Dutch Public Libraries Association, an umbrella organization connecting all Dutch libraries. The Dutch Public Libraries Association encourages libraries to digitize their collection, to add e-books to their files and to facilitate the libraries.
> ➤ Libraries should invest in shifting their core business. They should follow the example of the Public Library of Amsterdam. This a huge library where people can read, work, meet and loan books. This system could also fit for the smaller libraries. By installing a comfortable sitting area and install a WIFI network, a library will become a more attractive environment for a broader target group. Furthermore, the adjustment of the library would be an inspiring place for people that are attracted to the 'new world of work' (het Nieuwe Werken).

6. Conclusion

As mentioned in the introduction, the central question of this report is: "The influence of digital books on publicists, authors, customers and book shops: a success or a failure?" To answer this question, the thesis followed sub-questions. Underneath one can find a brief description of, and a answer to, the question.

The first question was "When did the digitizing trend of the book industry start?". The first digital book was created by Michael Hart in 1971. However, the popularity of digital books took off in a rapid tempo after the promotion of Amazons Kindle in the Oprah Show (2007). Sales figures are increasing and surprisingly high and the popularity of e-readers and tablets continues to grow.

Secondly, the question "What can the book industry learn from what the music industry experienced during the digitalization process?", is being discussed. Since the impact of the digitalization was huge in the music industry they have, unaware, set an example. The following statements are based on the experiences of the music industry. Firstly, the book industry should know by now that there ought to search for innovative ways to fight piracy. Secondly, investments should be made in protective systems such as Digital Rights Management. And thirdly, communication and a strong cooperation between the different parties is necessary for the continuance of a successful digitizing process.

Thirdly, it is important to find out what the reactions are of all parties involved in the Dutch book industry. Mostly, the actors involved do lean towards the sophisticated side. However, publishers do show some resistance principally because they have to adjust their entire business model. This is a challenge. Besides that, some publishers see digitalization as a threat and therefore they are not as willing to cooperate. However, there are also publicists that have adapted rapidly and that are already selling digital books. Not only the publicists are going through some changes. Also the book shops will have to adapt and perhaps they should even make a shift in their core business. Some larger book shops have website as well as a physical shop and are already selling digital books. However, the smaller book shops will face some difficulties. Therefore, it is important that they are well informed by informative organs. On the other hand, authors are mostly very progressive. The offer of digital books by Dutch authors continues to expand. And they are strongly involved in the process. The Dutch author, Leon de Winter, even started his own platform 'C-shed', on which authors can cooperate and vend their digital books. Moreover, libraries also continue to digitize. The importance of going along is noticed. A lot of libraries, especially the larger ones, have already started to digitize their collections and are working on systems to loan digital books.

The last sub question was: "What are the strengths, weaknesses, opportunities and threats for digital books and the entire book industry? First and for most, it is important to state that there are more strengths and opportunities than weaknesses and threats. The digitalization of books is a inevitable process and therefore each and everyone should try to make it work. The threat of piracy is a realistic one. Furthermore, it is important to remember that the digitalization of the book industry does not mean the end of physical books. For the elderly it is difficult to work with e-readers and digital books. Besides that, there are also a lot of people who love the smell of a physical book and that are not at all attracted to digital books.

As an overall conclusion, and to answer the central question, the influence of digital books on all the parties involved will not per definite be a failure. It is a success in the industry, however every party involved should adapt their model and find ways to be the best and differentiated. This statement can be made based on the following reasons. First of all, sales figures of digital books are increasing. Amazon, for example, sells more digital books than hardcover's. Secondly, technology has become such a huge part of life. It cannot be ignored even if one should want that. The best solution to digitizing is to adjust to the changes and to be innovative as well. And thirdly, the digitizing book industry will be an enrichment to life. Students will not have to carry all their book to school, they could simply bring one e-reader. This will mean decreasing costs of study books. Leisure readers can bring as much books as they would like when travelling. Furthermore, e-readers and tablets are multifunctional making it suitable for modern day society.

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Appendices

Appendix 1: Survey

Appendix 2: Results

questionnaire

Appendix 1: Survey

Survey about the digitalization of the book industry

Dear sir/madam,

In order to obtain a better sight on the opinion of the average Dutchman about the digitalizing book industry I would like to ask you to fill in this survey honestly.

At the moment there is a major shift visible within the book industry. More e-readers – tablets on which books can be read digitally – are being sold. Also the turnover of e-books, digital books, is growing fast. With this survey I would like to gain a clear vision about the opinion of the consumer towards this trend.

Thank you for your cooperation.

Kind regards,

Yael Dethy

<u>Survey</u>

General questions

1. What is your gender?
  o Male
  o Female

2. What is your age?

  o 15 – 20   o 51 - 55
  o 21 – 25   o 56 - 60
  o 26 – 30   o 61 - 65
  o 31 – 35   o 66 - 70
  o 36 – 40   o 71 - 75
  o 41 – 45   o 76 – 80
  o 46 – 50   o 81 – 85

3. What is your daily occupation?
  o Paid employer
  o Entrepreneur
  o Pensioner
  o Student

Questions regarding e-readers & digital books

4. Were you aware of the existence of e-readers and e-books before this investigation?
  o Yes
  o No

5. How did you get informed about e-readers and e-books?
  o I own an e-reader and digital books
  o I heard about it in the media
  o Other,
namely………………………………………………………………………………….
  o Not applicable

6. If you possess an e-reader by yourself, where did you buy it?
  o Via www.bol.com
  o Via www.amazon.com

o I bought it in an electronic store (e.g. Mediamarkt, Dixons etc.)

o Other,

namely……………………………………………………………………………………

o Not applicable

7. If you buy books for your e-reader, where do you buy them?

o Via www.bol.com

o Via www.amazon.com

o Via online buy and selling sites like www.marktplaats.com

o Not, I download them illegally

o Not applicable

8. What do you think about the current offer of digital books?

o Broad enough, I always find what I want

o Broad, but the assortment can always be broadened more

o Not broad enough, too much (Dutch) titles are missing

o Don't know, no opinion

9. If you don't possess an e-reader and e-books yet, would you be interested in buying them?

o Yes

o No

9. Did you know illegal download websites exist where you can download digital books for free?   o Yes

o No

10. Would you acquire digital books through the illegal way?

o Yes

o No

o Don't know, no opinion

11. What do you expect from the digitalizing book industry?

o The industry will adapt to the trend

o Especially writers will be affected because of the declining prices of books

o Especially producers will be affected because writers don't have to go to a publisher in

order to publish their book

12. Would you – if you were in possession of an e-reader – be willing to borrow digital books from a library?

      o Yes

      o No

Appendix 2: Results survey

What is your gender?

Male		13 (24.53 %)
Female		40 (75.47 %)

n = 53
# 53

What is your age?

<20		7 (13.21 %)
21 - 30		24 (45.28 %)
31 - 40		6 (11.32 %)
41 - 50		9 (16.98 %)
51 - 60		7 (13.21 %)
61 - 70		0 (0 %)
71 - 80		0 (0 %)
81 - 90		0 (0 %)

n = 53
# 53

Were you aware of the existence of e-readers and e-books before this investigation?

ja		47 (88.68 %)
nee		6 (11.32 %)

n = 53
# 53

How did you get informed about e-readers and e-books?

I own an e-reader and digital books		0 (0 %)
I heard about it in the media		46 (86.79 %)
Other		3 (5.66 %)
Not applicable		4 (7.55 %)

n = 53
# 53

If you posses an e-reader by yourself, where did you buy it...

via Dutch webshop, such as Bol.com, Mybebook, E-bookweb etc.	0 (0 %)
via US webshop, such as Amazon, Barnes & Noble, Borders etc.	0 (0 %)
Bought it in a media store Mediamarkt, Dixons etc.	0 (0 %)
Other, namely..	1 (1.89 %)
Not applicable	52 (98.11 %)

n = 53
# 53

If you buy books for your e-reader, where do you buy them?

via Dutch webshops such as Bol.com, Mybebook, E-bookweb etc.	0 (0 %)
via foreign webshops, such as Amazon, Barnes & Noble, Borders etc.	0 (0 %)
via an online platform such as Marktplaats, Speurders etc.	0 (0 %)
I don't buy e-books, I download them	1 (1.89 %)
Other, namely	0 (0 %)
Not applicable	52 (98.11 %)

n = 53
# 53

What do you think about the current offer of digital books?

Broad enough, I always find what I want — 1 (1.89 %)

Broad, but the assortment can always be broadened more — 2 (3.77 %)

Not broad enough, too much (Dutch) titles are missing — 2 (3.77 %)

Don't know, no opinion — 48 (90.57 %)

n = 53
# 53

If you don't possess an e-reader and e-books yet, would you be interested in buying them

yes — 7 (13.21 %)

no — 20 (37.74 %)

maybe — 22 (41.51 %)

Not applicable — 4 (7.55 %)

n = 53
# 53

Did you know illegal download websites exist where you can download digital books for free

yes — 23 (43.4 %)

no — 30 (56.6 %)

n = 53
# 53

What do you expect from the digitalizing book industry?

yes — 19 (35.85 %)
no — 15 (28.3 %)
Don't know — 19 (35.85 %)

n = 53
# 53

What do you expect from the digitalizing book industry?

It will be a success, technology has the futur — 9 (16.98 %)

The industry will adapt to these changes — 20 (37.74 %)

Mainly writers will be affected by the falling prices — 6 (11.32 %)

Mainly publicists will be affected, because writers can publish the book themselves — 7 (13.21 %)

Other, namely — 3 (5.66 %)

Don't know, no opinion — 8 (15.09 %)

n = 53
# 53