

DIGITAL PUBLISHING REPORT

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Amidst the ongoing digital revolution the world is grappling with the possibilities and challenges arising from hyper-connectivity and super-fast access to information and commodities. The field of publishing is no exception to this phenomenon; it too has been experiencing a change in demands vis-à-vis form and content. The question is, what change has digitalisation brought about in readers, especially in an emerging economy like India?

According to the World Economic Forum, the world has nearly 3 billion internet users and more than 1.6 billion mobile social accounts. Respondents to the Implications of Digital Media Survey said that they most frequently use PC/laptops (94 per cent), televisions (93 per cent) and smart phones (87 per cent) for media consumption.¹ As of 2015, there were 167 million smartphone users, 351 million internet users and 105 million broadband subscribers in India.² By 2016 the numbers increased—400 million internet users, 150 million people using PCs, and 1080 million people with access to mobile phones.³ Even the number of tablet users has been steadily rising over the years with 40.4 million users in 2015 to 47.1 million users in 2016, and 54 million people are estimated to be using tablets by the end of 2017.⁴ The statistics point towards the fact that digitalisation is clearly making a mark in the Indian economy.

¹ *Digital Media and Society Implications in a Hyper-connected Era*, report prepared by World Economic Forum in collaboration with Willis Towers Watson, published in 2016 (accessed January 25, 2017)

http://www3.weforum.org/docs/WEFUSA_DigitalMediaAndSociety_Report2016.pdf

² *Future of Digital Content Consumption in India*, published by EY in January 2016 (accessed January 25, 2017)

[http://www.ey.com/Publication/vwLUAssets/ey-future-of-digital-january-2016/\\$FILE/ey-future-of-digital-january-2016.pdf](http://www.ey.com/Publication/vwLUAssets/ey-future-of-digital-january-2016/$FILE/ey-future-of-digital-january-2016.pdf)

³ India Tech Online, <http://www.indiatechonline.com/snapshot.php>, updated 22 January 2017 (accessed January 25, 2017)

⁴ 'Number of tablet users in India from 2013 to 2018 (in millions)', published by www.statista.com in 2017 (accessed January 25, 2017).

<https://www.statista.com/statistics/413325/tablet-users-number-india>

DIGITISATION IN THE INDIAN BOOK MARKET

'Nielsen India Book Market Report 2015: Understanding the India Book Market', commissioned by the Association of Publishers in India (API) and the Federation of Indian Publishers (FPI), states that India's book market was worth INR 261 billion in 2015. India's book market is overall the sixth largest in the world and the second largest among English language book markets, and it is expected to reach INR739 billion by the year 2020. More than 70 per cent publishers in India have digitised their content to produce e-book versions. E-readers as well as smartphones allow consumers access to digital content. Further, books have emerged as an instrumental category for e-commerce business, accounting for 15 per cent of the overall e-commerce trade, closely following electronics (34 per cent), and apparel and accessories (30 per cent).⁵

CONTENT AND USAGE TRENDS OF DIGITAL PUBLISHING—INDIA AND GERMANY

But does the increase in the users of digital devices also guarantee success for content created in the digital format? The German Publisher's and Bookseller's Association's Quarterly Report of the first quarter of 2016 states that the e-book sales revenue in Germany fell by 0.2 per cent in 2016 as compared to the first quarter of 2015. The number of buyers remained constant but the publishing houses slashed the prices of e-books in order to increase sale, which in turn lead to a lesser revenue.⁶ The actual Indian market which consumes digital media and can afford to spend on content created for digital devices is a small percentage. According to Mr. Haresh Chawla, former chief executive of Network18 and now a partner at India Value Fund, and mentor to several start-ups, only 150–180 million Indians can afford to buy things beyond their necessities. They are the actual 'internet consumers', people who regularly purchase and use internet packs. The rest either own a mobile phone and use the internet sparingly, or do not own any mobile device at all.⁷

Many major publishing houses have started making strategies to adapt to the change. India and China have surpassed the U.S. when it comes to Kindle sales. Amazon witnessed an increase of 200 per cent in Kindle sales in India by early 2016. But what caused this drastic hike in sales in a country with a very small percentage of buyers of digital content? According to David Limp, Head of Devices at Amazon, the growth in sales can be attributed to the size of the market, increasing sales channels and availability of more content in the country.⁸ 'Amazon.in Reading Trends Report 2016' reveals that the one genre where e-books are selling really well is exam preparation. Taking note of the

⁵ 'Indian book market to touch Rs 739 billion by 2020: Survey', published by the Economic Times on 1 December 2015 (accessed January 2017).

<http://economictimes.indiatimes.com/industry/media/entertainment/media/indian-book-market-to-touch-rs-739-billion-by-2020-survey/articleshow/49996781.cms>

⁶ Ingrid Süßmann, 'Ebook Sales in Germany Up, Revenue Down', published by Publishing Perspectives on 6 June 2016 (accessed January 2017).

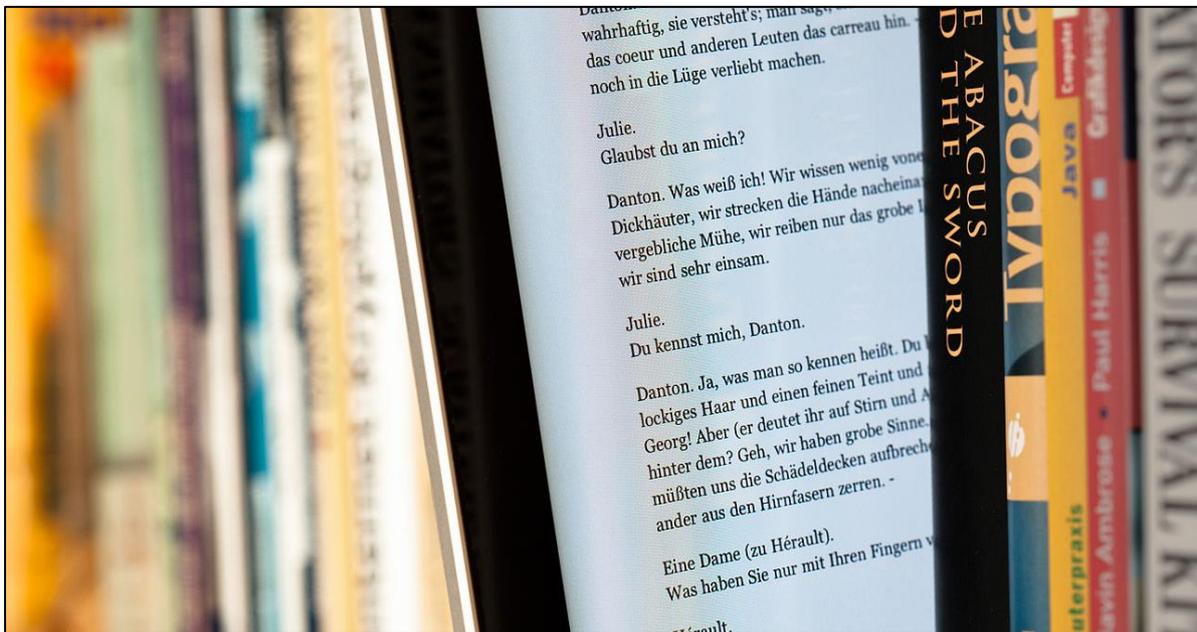
<http://publishingperspectives.com/2016/06/ebook-sales-germany-revenue/>

⁷ Haresh Chawla, 'How India's Digital Economy can Recover its Mojo', published by Livemint on 13 September 2016 (accessed on 24 January 2017).

<http://www.livemint.com/Companies/9LpNRrNONPm1UnPn3N0bPM/How-Indias-digital-economy-can-recover-its-mojo.html>

⁸ Anand J, 'Amazon Kindle Sales up 200% in India', published on 19 February 2016 (accessed 24 January 2017).
<http://www.gadgetsnow.com/tech-news/Amazon-Kindle-sales-up-200-in-India/articleshow/51048120.cms>

trend they have launched a new portal called Exam Central which provides the students with exam-related information and preparation material as well as e-learning software and e-books.⁹



Moving forward, school education, higher education and academic spaces will be the major driver of growth in e-books. Moreover, strategic and policy-level initiatives, like the National Mission on Education, to promote digital literacy and to provide access to digital content in schools and colleges, are likely to increase digital content creation in general and e-books in particular.¹⁰ According to Shobha Viswanath, Publishing Director of Karadi Tales, India is still a small market for books, let alone e-books, but it's definitely growing. A genre like adult fiction, which has a lot of emphasis on text, works for the e-book medium. Children's e-books, however, are yet to match up to the possibilities of physical books.

The ninth edition of JUMPSTART (August 2017), a congress of children's content creators, organised by German Book Office New Delhi, was conceptualised on the theme of innovation + learning. A session on game-based learning highlighted the current usage of digital game-based learning within school classrooms, and the need to encourage it further. The masterclass on authoring digital content saw participation from the publishing world. Through detailed exercises, focusing on interactivity and engagement, expert V. Anand talked about digitising storyboards for learning and gave an introduction to technical know-how for digital content creation and publishing.

⁹ 'Amazon.in Reading Trends Report 2016', <http://onlineandyou.com/smart-news/amazon-in-reading-trends-report-2016.html> (accessed 26 January 2016).

¹⁰ Preeti Chaturvedi, 'The New Era of Ebooks in India', <http://www.digitalbookworld.com/2016/the-new-era-of-ebooks-in-india/> (accessed 26 January 2017).

International platforms like Qidian (Chinese), Wattpad (English) and Amazon Kindle have demonstrated the effectiveness of self-publishing platforms.¹¹ India has just started to scratch the surface of the digital content market, and is expected to grow from 400 to 500 per cent in the coming four to five years.

DIGITAL DEVELOPMENT AND INNOVATIONS IN THE INDIAN PUBLISHING INDUSTRY

Players from the Mainstream

In July 2012, Penguin India, the largest trade publisher in the country, launched e-book editions of 240 of its titles.¹² In the same year, Pearson Education India launched its own digital learning solution called 'MX-Touch'. And in 2014, Pearson India collaborated with IBM to expand its digital classroom business and customise e-learning solutions for more than 22,000 classrooms across India.¹³ As of 2016, Pearson Education India boasts of more than 4000 e-books for educational institutions.¹⁴

Cambridge University Press has introduced two digital learning solutions—*Cambridge HOTmaths*, which uses animation, student-engagement and downloadable worksheets for mathematics learning, and *Communication 360°*, a speaking-skill development solution.¹⁵ *Oxford Educate Premium*, an initiative by the Oxford University Press, is a learning management system (LMS) that brings together publishers, school administration, teachers and students on one interactive platform. The LMS can not only be used to distribute the course-based e-books but also to gather learning analytics. The platform has a state of the art reader where coursebooks have been mapped with relevant resources such as interactive animations, videos, lesson plans, additional worksheets and much more.¹⁶

Indies Publishers and Start-ups

Tulika Books, an independent publisher, too has partnered with Book Box, Juggernaut, World Reader, Chie Media and has converted many of its titles into e-books.¹⁷ While the bigger names of the publishing field are forming their strategies, start-ups like Juggernaut also made their presence

¹¹ 'Pratilipi, Getting Indians Back to the Reading Habits', published on 21 January 2016 (accessed 26 January 2017).

<https://equitycrest.wordpress.com/2016/01/21/pratilipi-indians-back-to-reading/>

¹² Ramesh Kotnana, 'Are Indian Readers Becoming Avid Readers of Digital Content?' (accessed on 25 January 2017)

<https://www.linkedin.com/pulse/indian-readers-becoming-avid-digital-content-amazons-strategy-ramesh>

¹³ 'Pearson India collaborates with IBM to expand its Digital Classroom business across India', published on 11 March 2014 (accessed 26 January 2017).

https://pearsoneducationservices.com/news/2014/final_press_release_ibm_pearson.pdf

¹⁴ <http://www.pearsoned.co.in/web/dps.aspx> (accessed 26 January, 2017)

¹⁵ 'Cambridge University Press India Introduces Revolutionary Digital Solutions' published on 25 February 2016 (accessed on 26 January 2017).

<http://indiaeducationdiary.in/Shownews.asp?newsid=37910>

¹⁶ <https://india.oup.com/digital/OEP> (accessed 26 January 2017).

¹⁷ <http://www.tulikabooks.com/info/e-tulika> (accessed 26 January 2017).

felt in this particular market. Juggernaut is a mobile-first publishing start-up which brings books to people's mobile phones, for a quick and easy access.¹⁸

Matrubharti, a start-up of the Ahmedabad-based Matrubharti Technologies, is a self-publishing platform which publishes 15 to 20 e-books per day in regional languages. They publish e-books belonging to different genres—fiction, non-fiction, biographies, philosophy, motivational essays etc.¹⁹ Another start-up that has made its mark in the market is Pratilipi. It is a one-stop destination for readers and writers of regional languages. The content can be accessed on all digital devices. Ranjit Pratap Singh, co-founder of Pratilipi, states that their platform published close to 37,000 titles in 2016. The most popular genres seemed to be romance and fiction.

Another game-changer in the market is Notion Press which is primarily a technology start-up in the field of publishing services in the year 2012. It is one of the fastest growing book publishing companies in India that aims to solve problems in book publishing and distribution. They have partnered with the big names in book distribution and retail, including e-retailers like Amazon, Kobo, Flipkart, Paytm, Google Play, to name a few.

AUDIOBOOKS



The oral form is integral to the art of storytelling, especially in India. For this reason, publishers are starting to tap into the potential of audio-books in India. Even regional publishing houses like Kannadhasan Pathipaggan (Tamil) and Goa, 1556 have started selling audio books. ShobhaViswanath, Publishing Director, Karadi Tales, says, “Even though we didn’t publish any e-books in the year 2016 but we did publish several of our popular titles, like ‘Farmer Falgu Goes on a

¹⁸ Andrew Albanese, ‘London Book Fair 2016: Meet the woman who could revolutionize publishing’, published on 13 April 2016 (accessed on 25 January 2017)

<http://www.publishersweekly.com/pw/by-topic/international/london-book-fair/article/69947-london-book-fair-2016-meet-the-woman-who-will-revolutionize-indian-publishing.html>

¹⁹ AparajitaChoudhary, ‘Ahmedabad-based Matru Bharti is quenching the thirst of multilingual readers, set to publish ebooks in 21 languages’, published 29 March 2016 (accessed on 26 January 2017).

<https://yourstory.com/2016/03/matrubharti/>

Trip' and 'The Dragon's Toothache' as audiobooks which we used for our English language acquisition programmes in schools under Karadi Path. Audiobooks have been popular for a while though. In fact, our own Karadi Rhymes has sold over a million copies over the years. As far as audiobooks go, I think mythological tales and folk stories are a perfect fit for the format since the music allows them to evoke a certain atmosphere."

According to Sumit Suneja (CEO, Reado) audiobooks are a nascent market in India ranging anywhere between INR 2 to 2.5 crore, or about \$400,000 USD.²⁰ Categories like business management, self-help and popular fiction have been selling the most.²¹ Of course, the entry of global players like Audible and publishing of audiobooks by major publishing houses like Scholastic and HarperCollins changes the scenario and increases the competition. As a counter-strategy, Reado is investing extensively in marketing for audiobooks and collaborating with Indian retailers like Landmark and Crossword to increase their market share. Ravi Vora, senior VP, marketing, Flipkart, says, "Audio books are picking up pretty well. It is an important category for us. In fact, we try to give special deals and offers to promote it as we want to make it and more visible. We have noticed that once people experience it, they like it and want more. We have close to 1 lakh titles with us"²²

But the market of audio books has its own set of problems. According to Amish Tripathi (Best-selling author of the *Shiva Trilogy*) audiobooks as a market is doing well for itself. However, when you compare the impact with print and e-books, the influence might be limited. In the case of the *Shiva Trilogy*, for instance, the sale of audio books has been less than 0.5 percent of the overall sale. This might also explain why they are not getting adequate publisher focus as a category. The numbers are not very exciting yet.²³

Mr. Anish Chandy (Head of Business Administration, Juggernaut) takes a more sinister view and says that the market of audio books has still not developed in India. But now audio book companies have begun to look at the Indian market seriously. Publishers should concentrate developing and placing content suitable to audio books before we can start expecting revenues. Furthermore India faces a bandwidth issue. Even if people have smartphones, they would need a fast enough Internet connection to stream or download large audio book files.

Production is limited by the cost and the small size of the market. The costs for an audiobook in India typically run anywhere from INR 60,000 to INR 200,000. When converted to US dollars, that looks

²⁰ Preeti Chaturvedi, 'The Market for Audiobooks in India' (accessed January 25, 2017) .

<http://www.digitalbookworld.com/2016/the-market-for-audiobooks-in-india>

²¹ Malavika Ninayanikal, 'They succeed by being good listeners: Reado their secret', published on 22 March 2014 (accessed on 1 February 2017).

<https://yourstory.com/2014/03/reado/>

²² Stuti Agarwal, 'Welcome to the exciting world of audio books' (accessed 25 January 2017).

<http://timesofindia.indiatimes.com/life-style/books/features/Welcome-to-the-exciting-world-of-audio-books/articleshow/21052044.cms>

²³ Preeti Chaturvedi, 'The Market for Audiobooks in India', (accessed 26 January 2017).

<http://www.digitalbookworld.com/2016/the-market-for-audiobooks-in-india>

like a rather low number (~\$6,300 at the upper end) but in a market where print books generally cost in the range of INR 100 and above, the cost is significant.²⁴

Taking a look at the audiobooks market in Germany one finds that in 2014 about 4.5 million people bought audio-books in the country and in the next year the number was raised by 4.2%. As of 2015 audio-books had captured 3.7% of the total book market.²⁵

Nobody can put it better than Shobha Viswanath (Publishing Director, Karadi Tales) when she says that 'the future for digital reading is promising. After all, we are one of the youngest countries in the world. That being said I think there's also a notable trend of going the other way and resisting digital publishing, particularly for preserving books as an art form. I'm struck by the example of Julia Donaldson, the children's author from the U.K. Her books are bestsellers and they aren't released in digital formats at all.'

²⁴ Nate Hoffelder, 'Amazon is hiring Audible managers in India', published on 3 August 2015 (accessed on 26 January 2017).

<http://the-digital-reader.com/2015/08/03/amazon-is-hiring-audible-managers-in-india/>

²⁵ <https://de.statista.com/themen/2233/hoerbuecher/> (accessed 26 January, 2017)