



Turning the Page: How Digital Technology Is Changing the Way We Read

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1 Executive Summary

Readers are embracing tablets and other e-readers faster than anyone could have imagined. Book and magazine publishers are scrambling to devise strategies to meet the expectations of digital readers while assessing what the new technology means for the future of publishing.

1.1 Key Considerations

Companies such as Toshiba, Dell and Microsoft are following Apple into the tablet market. Dedicated e-readers, including a color version of the Nook and an improved Kindle, are growing more popular. The variety of devices available across a range of functionality and prices will quicken their adoption and create new readers.

The tablet and e-reader audience is not only receptive to enhanced content, but is coming to expect it in digital books and magazines.

Digital reading is not a closed sum equation. Rather, it creates new readers and encourages avid readers to buy books in print in addition to as apps and e-books. Enhanced content encourages readers to spend more time reading.

For the sake of clarification, this paper will refer to books released individually in Apple's App Store and in Android's Market Place as "app books," for the features that elevate them above plain e-pubs. E-readers are tablets, such as the iPad, smartphones and dedicated reading devices, such as the Kindle and Nook.

2. Introduction

In January, an independent bookstore in Portland, Oregon, announced that Kindle owners

could trade in the devices for “good old fashioned books.”

The bookstore got more publicity than trade-ins (which was probably the purpose), but the announcement bears a closer look for its “barbarians at the gate” mentality. It labeled e-readers as “soulless faux-literary technology” out to “kill print.” Book lovers were urged to “take a stand” against e-readers.

Well, the evidence shows that readers don’t want to take a stand; they want to take a seat. Preferably with an iPad, Kindle or Nook in their laps, their devices loaded with books and magazines.

E-readers have changed reading habits more than any technology since the printing press. Perhaps the changes in the past two years have been so breathtaking because that technology has been static for so long. It barely changed over the centuries because ink on paper worked – and still does.

But tablets and other mobile readers have changed content and reading permanently and for the better. While technology and habits are developing too swiftly for anyone to predict their final form, there is every reason to believe that e-readers will become the preferred medium for readers – the efforts of a Portland bookstore notwithstanding.

3. Apps Offer More

Book apps offer a richer experience than e-books, which are limited to text, images and video. Book apps, by contrast, can incorporate audio, animation, video, interactive maps, slideshows, databases, linking and other features in highly flexible layouts that literally redefine the idea of what a book can be.

Book apps also incorporate e-commerce, linking to such sites as Amazon.com without forcing readers to leave the app. Book apps can be updated and remind the reader that they have new content. For example, Mark Bittman’s “How to Cook Everything” app pings readers to let them know new recipes are available.

Sideways’ edition of “Peter Rabbit” allows children to listen to the book read aloud by a narrator, read it themselves, touch an object to see the word on screen and hear it

pronounced, move illustrations with the touch of a finger, color pages (which can be saved or emailed) and have the book read to them over a distance through the Buddy Reading feature.¹ The story and pictures remain at the heart of the book – as they should – while the extras add enjoyment and variety and make it more likely that readers return again and again.

Also, book apps give authors and publishers control and flexibility that e-books don't. Authors and publishers set the price for books in the App Store or Android Market, not Amazon or Google. That same freedom lets the creators have a sale or adjust prices to market conditions.

Author apps allow authors to nurture a community of fans and readers. The apps include the author's social media accounts, link to bookstores and automatically update the author's calendar of appearances, promotions and releases.

Apps also play well with web publishing. The same common file types used in web publishing are the basis for book apps, which limits development time and makes it easier to publish content for the Web and e-readers.

Publishers are well aware of the advantages tablets and smartphones, such as the iPad and iPhone, have over dedicated e-readers, such as the Kindle and Nook. A Harrison Group survey of publishers released in January found that 62% have plans to distribute and market content via a tablet within the next two years, while only 52% intend to distribute through dedicated e-readers.²

4. Reading Anything Everywhere

Remember a few years ago when people predicted that reading for pleasure on electronic devices was just too unpleasant to ever catch on? UI design, backlit text and ease of downloading have proven that false.

¹ http://www.sideways.com/apps/peter_rabbit/

² <http://fi.zinio.com/press/press-release.jsp;jsessionid=E9BE7D7610DD83C3110D1FBDF280E01F.ns103-e04?pressreleaseid=pr148170>

In January, Amazon announced that Kindle e-book sales had, for the first time, eclipsed paperback sales on its site.

A new forecast by technology research and consulting firm Yankee Group predicts that falling prices and new business models will push U.S. e-book units sales from an estimated \$313 million in 2009 to \$2.7 billion in 2013.³

Not coincidentally, Yankee Group forecasts explosive growth for tablets this year. U.S. tablet sales will rise from roughly 8 million units and less than U.S. \$5 billion in revenue last year to more than 30 million units and U.S. \$7 billion in revenue by 2015.⁴

“Unlike their predecessors, today’s tablets have access to an environment rich with digital content, applications and connectivity services,” the executive summary concludes.

A Gartner Research forecast in January predicted that mobile app sales worldwide will triple to \$15.1 billion in 2011, a 190% increase from \$5.2 billion in 2010.⁵

E-reading will only increase as the number and variety of e-readers grows and prices for devices and content fall.

While people might buy tablets for other purposes, such as gaming or to watch video, iPad owners are readers. A Dec. 2010 survey by Business Insider found that 75% of iPad owners read books on the device.⁶

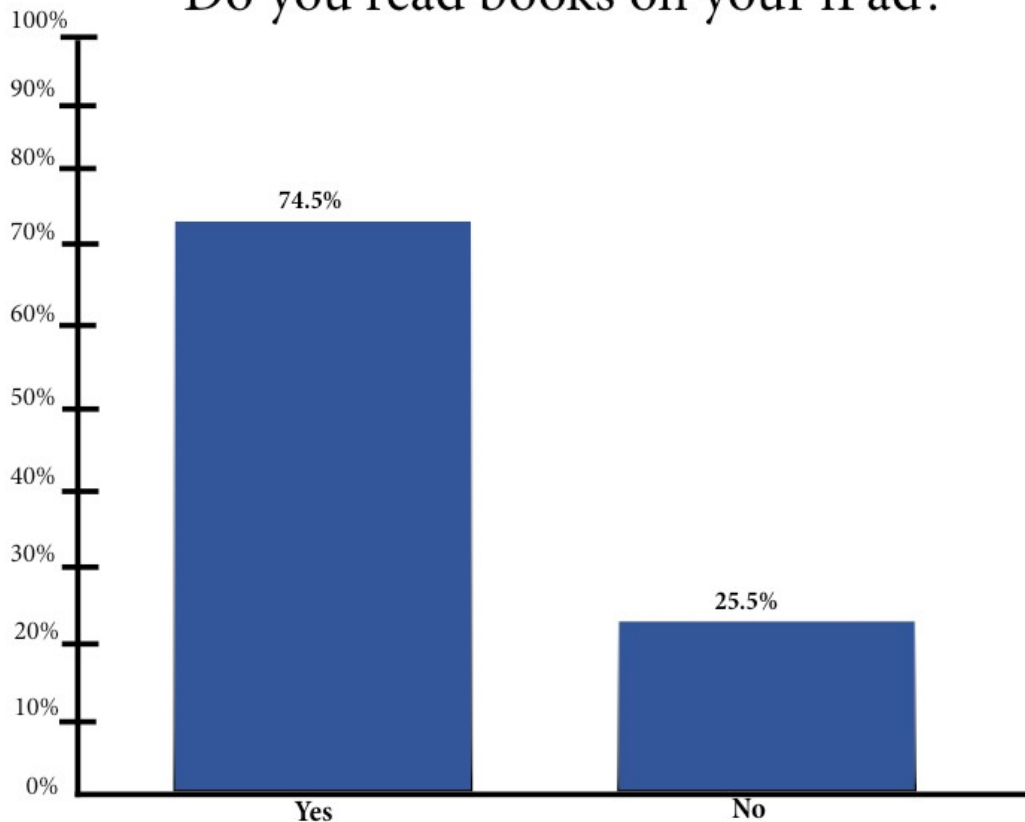
³ <http://www.yankeegroup.com/ResearchDocument.do?id=55383>

⁴ <http://www.yankeegroup.com/ResearchDocument.do?id=55390>

⁵ <http://www.gartner.com/it/page.jsp?id=1529214>

⁶ <http://www.businessinsider.com/ipad-survey?slop=1#slideshow-start>

Do you read books on your iPad?



Source: Business Insider

5. Changing Reading Habits

Given the opportunity to read anywhere, that's what people do. A January 2011 study by iModerate Research Technologies found that the most common occasions for reading on electronic devices were while traveling on airplanes, trains and buses (72%), waiting for an appointment (72%), and relaxing (70%).⁷

However, since iPads and other tablets are less mobile than smartphones, there is a distinction between the devices in regards to where and when people use them to read. While people consume editorial content on their computers at work and on smartphones while standing in line, the reading patterns of iPad users clearly show a preference for reading on the device at home and during leisure time.

⁷http://www.imoderate.com/main/newsID/70/do/press_release_Detail

Read It Later is a service that lets people save online content to be consumed at their leisure. It announced in January that iPad owners, even those with access to computers during the day, preferred to save articles and read them at home.⁸

“When a reader is given a choice about how to consume their content, a major shift occurs. They no longer consume the majority of their content during the day on their computer. Instead, they shift that content to prime time and a device better suited for consumption,” the study concludes. “Initially, it appears that the device readers prefer for reading are mobile devices, most notably the iPad. It’s the iPad leading the jailbreak from consuming content in our desk chairs.”



Source: Read It Later

While this shows people prefer reading on an iPad to a computer, the study points to another conclusion as well. While the medium has changed, many readers still love to come home, eat dinner and curl up with a good . . . tablet.

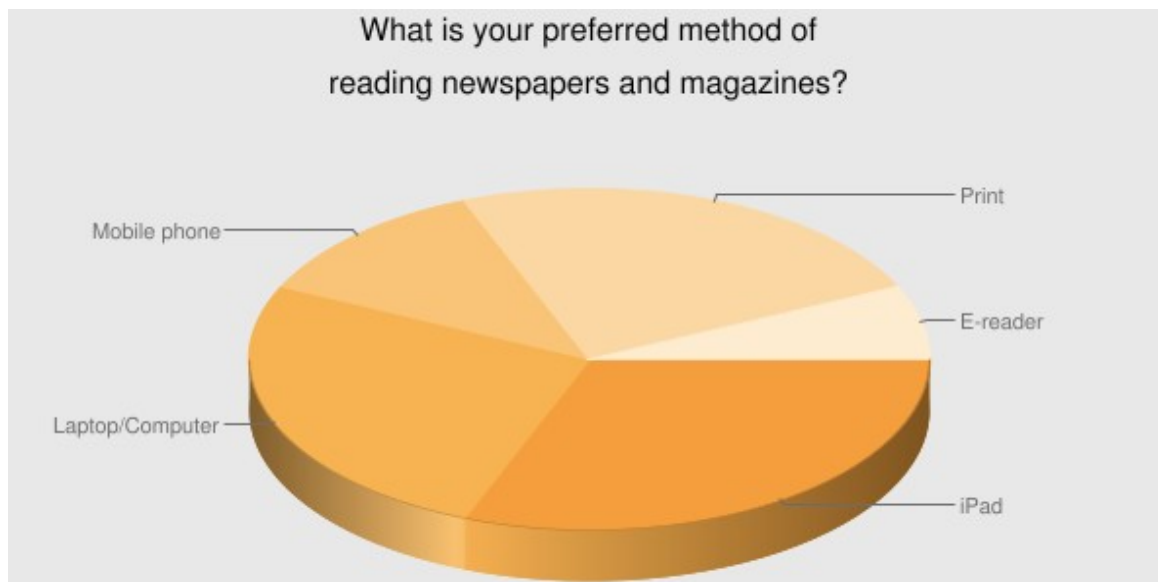
⁸<http://readitlaterlist.com/blog/2011/01/is-mobile-affecting-when-we-read/>

Not surprisingly, digital reading is most appealing to avid readers. An October 2010 study by marketing research firm Harrison Group for Zinio found that, compared to the total population of 18- to 64-year-olds, owners of tablets and dedicated e-readers spend 50% more time reading magazines, 75% more time reading newspapers and 25% more time reading books.⁹ They make up the time by watching less television and going online less.

“For years, our consumer research has demonstrated the growing demand for digital reading. The ease of access, the convenience of content storage and now the high quality of the screen experience makes reading fast and fun,” Jeanniey Mullen, chief marketing officer of Zinio, said in a press release. “There is no doubt that tablet-based technologies are fueling a reading revolution that will spawn significant demand for more content, consumed by more people, in more ways and in more places. With digital newsstands making digital content accessible in over 26 countries, we are watching the world fall in love with content.”

An August 2010 survey of United Kingdom iPad owners by Cooper Murphy Copywriters found that the tablet is their preferred method of reading newspapers and magazines and that a plurality of iPad owners prefer the tablet for reading books.¹⁰

iPad preferred method of reading newspapers and magazines

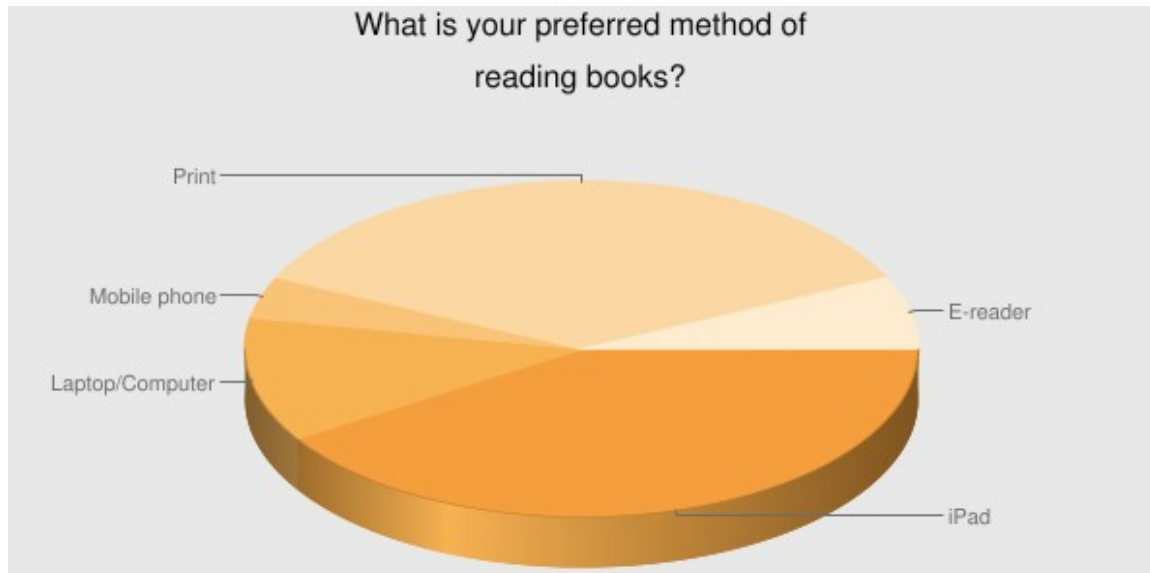


iPad – 31%
Laptop/computer – 26%
Mobile phone – 12%
Print – 24%
E-reader – 7%

⁹ <http://fi.zinio.com/press/press-release.jsp?pressreleaseid=pr148110>

¹⁰ <http://cmcopywriters.co.uk/ipad-consumer-usage-study>

iPad preferred method of reading books



iPad – 41%
Laptop/computer – 12%
Mobile phone – 4%
Print – 36%
E-reader – 7%

Last summer, publisher C n de Nast surveyed readers of its *GQ*, *Vanity Fair*, *Wired* and *Glamour* apps for iPhone and iPad and found that readers seem to spend more time with the digital versions than with the print copies.¹¹ In general, print readers spend about 45 minutes with an issue each month. However, readers of the magazine apps spent 160 minutes across all the brands. The data is less precise than C n de Nast wants because Apple does not show publishers which issue a user is reading.

However, Scott McDonald, senior vice president of market research for C n de Nast, said the study proved one thing: reading for pleasure on electronic devices is a “lean back activity.”

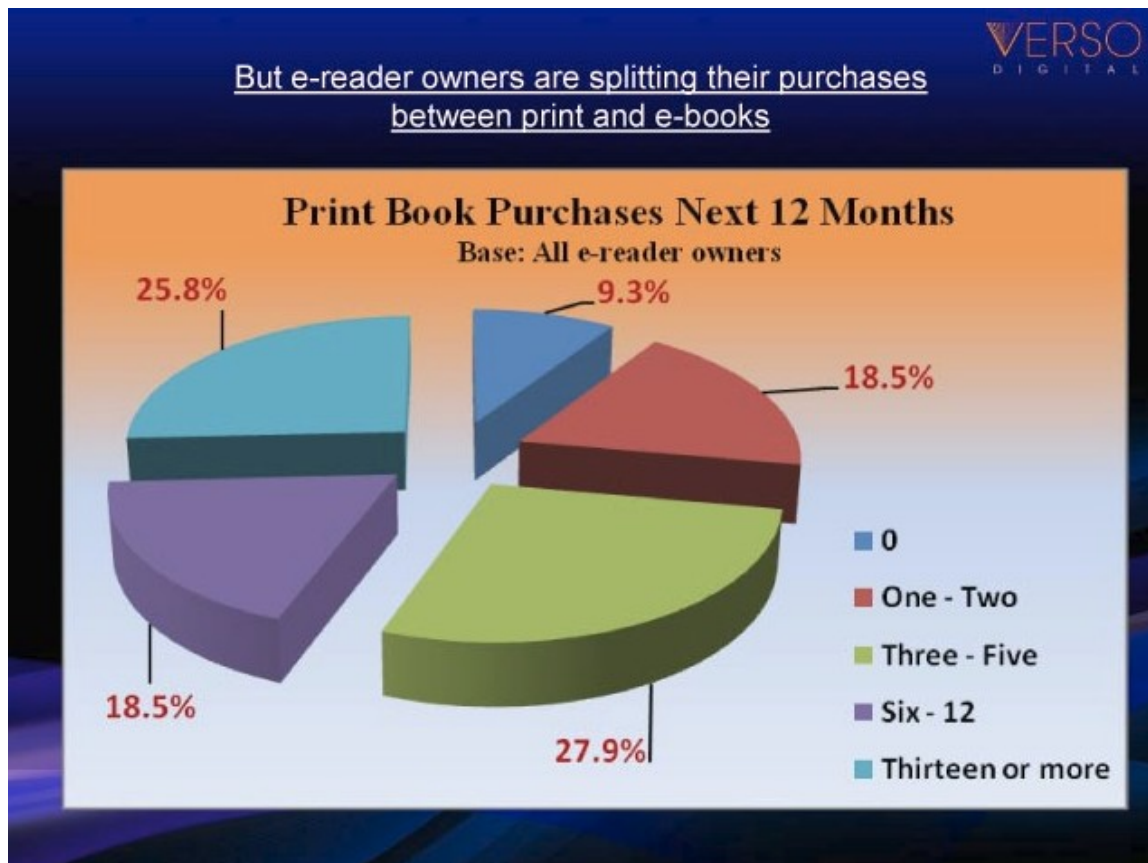
¹¹<http://paidcontent.org/article/419-conde-nast-study-concludes-ipad-is-not-a-mobile-device-at-least-not-now/>

6. New Readers, More Reading

That digital reading could lead to an increase in reading overall shouldn't come as a surprise. After all, when an already popular activity becomes more widely available, easier and less expensive (not to mention hip), participation tends to rise.

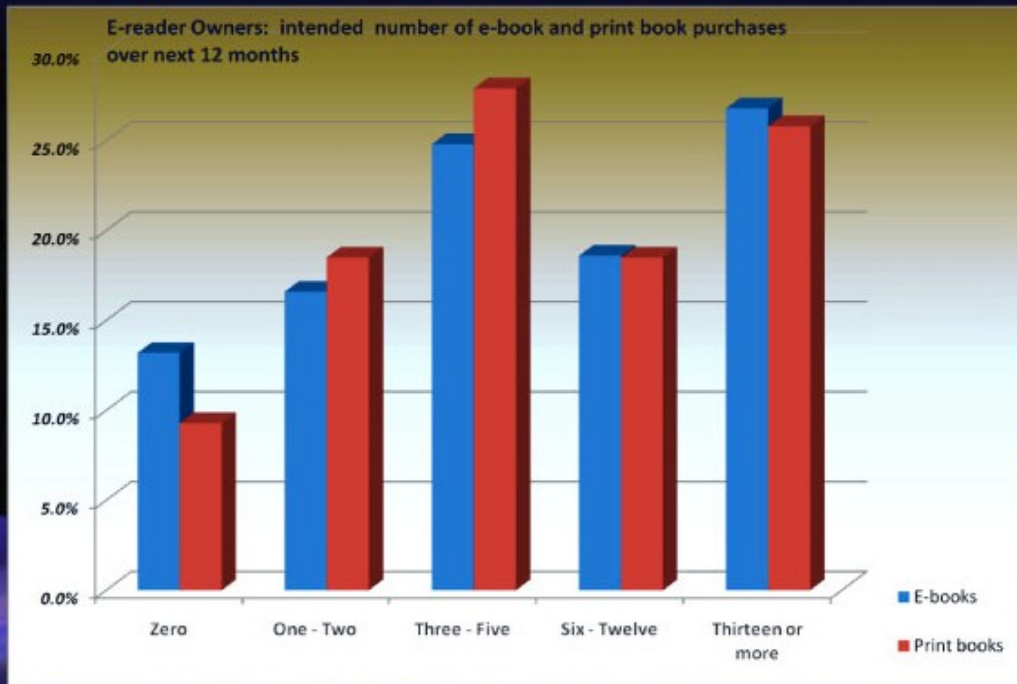
According to the iModerate study, 66% of tablet and smartphone readers said they have increased their overall reading since they started reading on the devices; 89% said they will likely read more e-books in the coming year; and, in a bit of good news for those fearing the death of ink on paper, 46% said they were inspired to read more books in print after reading e-books.

E-reader owners are splitting their purchases between print and e-books, according to Verso Advertising's 2010 annual survey of book buying behavior.¹²



¹²<http://www.versoadvertising.com/dbwsurvey/>

And they are buying equal numbers of print and e-books



Roughly 90% of e-reader owners intend to continue purchasing print books, the survey found. It concluded that “a robust, hybrid (print and e-book) markets will endure for many years.”

The ease and access of reading on electronic devices is attracting new readers who originally purchased tablets and smartphones for entertainment. “Multi-function devices are energizing people to read more overall, including more printed books,” the iMediate study concludes.

E-reading appears to be attracting a new generation of readers as well. The New York Times in February reported that e-readers are catching on among youth as young as 10.¹³ While parents continue to buy children’s e-books for their younger children, publishers report a jump in downloads of young-adult books, such as the “Twilight” and “Night World” series.

¹³<http://www.nytimes.com/2011/02/05/books/05ebooks.html>

7. More Than Words

That younger generation of readers is going to grow up with a new idea of what constitutes books and magazines. They're not only going to expect to be able to read whatever, wherever and whenever they want on mobile devices, they will not accept reading as a passive experience. They will expect content to engage them, and, in turn, to engage content.

They will want, where it's appropriate, video and audio, animation, web links, slideshows, the ability to take notes and ask questions, to share with other readers, to interact with authors and form communities around the content.

Not all books will be treated the same, of course. Textbooks, cookbooks, travel guides, reference books and novels require different treatments, but ink on paper alone will be seen as lacking.

Two recent studies by Harrison Group for Zinio found that publishers and readers have different expectations of what digital reading should constitute.¹⁴

"While publishers expect that digital reading is just a medium change, readers expect that writers will write for the digital medium and that they cannot only read, but also comment on and share the published material they consume," Dr. Jim Taylor, vice chairman of the Harrison Group, wrote in a press release.

The democratization of the relationship between a book's creators and its consumers also scrambles traditional roles. Authors and artists can publish themselves. Apple, Amazon and app creators can bypass publishers to work directly with authors. While the dust hasn't settled, one thing is clear. Those who anticipate and meet readers' expectations will thrive in the new era of publishing.

¹⁴<http://fi.zinio.com/press/press-release.jsp;jsessionid=E9BE7D7610DD83C3110D1FBDF280E01F.ns103-e04?pressreleaseid=pr148170>

8. About Sideways

Sideways makes apps for the Apple iOS and Android platforms that exceed our clients' expectations. Our apps transform publications and other projects into intuitive and immersive experiences for the user. A team of developers, designers, artists, and editors, Sideways takes an inventive and affordable approach to each project. Our M3 digital publishing platform allows clients to use common file types to efficiently and elegantly produce multi-media, multi-touch and multi-user apps.

Sideways will consult on marketing, pricing strategies and other challenges that must be met to release a successful app. Sideways was founded in 2010 by Charles Stack and Eliza Wing.