E-Books – challenge and chance

Experiences in the digital age from an STM publisher's perspective

Spanish Association of Publishers Guilds
Madrid, June 17th 2010

Dagmar Laging
Vice President Sales

Available on SpringerLink
Agenda

Introduction

Market situation / Competition

Business model

Usage

Sales

Questions and discussion

17.06.2010
Some facts about Springer SBM

- 60 Publishers in 20 countries
- 2nd largest STM Publisher
- Largest publisher in Germany
- Owned by EQT Private Equity
- Close to 900 Mio Euro turnover
- 5,000 employees
- 2,000 journals and 5,500 new books p.a.

17.06.2010
**Historical overview** (selected events)

1842 Founding of the scientific publisher Springer-Verlag in Berlin.

1889 A. E. Kluwer founds his own publishing house in the Netherlands.

1946 Office in Heidelberg opened.

1964 Greater international focus and founding of Springer-Verlag New York.


1998 Kluwer acquires Plenum Publishers in USA.

1999 Bertelsmann acquires the majority share in the scientific publishing house Springer-Verlag for its corporate division Bertelsmann Professional Information. Name of the new publishing group: BertelsmannSpringer.

2003
- The British financial investors Cinven and Candover acquire Kluwer Academic Publishers (KAP) at the beginning of the year.
- BertelsmannSpringer sold to Cinven and Candover in the spring.
- As of October, BertelsmannSpringer is renamed Springer Science+Business Media.

2004 Merger of Springer Science+Business Media with KAP. The result is the second-largest publisher worldwide in the Science, Technology, Medicine (STM) field.

2005 – 2008 Acquisitions include Current Medicine Group, Humana Press, Bohn Stafleu van Loghum and BioMed Central.

2009 EQT and CIG acquire Springer from Cinven and Candover.
Leading Publishers: Number of Journals

<table>
<thead>
<tr>
<th>Publisher</th>
<th>STM</th>
<th>Social Sciences</th>
<th>Arts/Humanities</th>
<th>Non-English</th>
<th>Non-Scientific</th>
</tr>
</thead>
<tbody>
<tr>
<td>Springer</td>
<td>2,015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elsevier</td>
<td>1,991</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informa</td>
<td>1,523</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wiley-Blackwell</td>
<td>1,358</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sage</td>
<td>510</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WK Health</td>
<td>298</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CUP</td>
<td>227</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OUP</td>
<td>220</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(STM, Social Sciences, Arts/Humanities: English-language scientific journals only; Non-English: scientific journals e.g. in German or French; Non-Scientific: magazines, newspapers, newsletters etc.; Springer including BioMed Central and Springer Professional Medicine)
Journals: market position

Journals Articles Shares

- Large Commercial: 56%
- Societies: 29%
- Smaller Commercial: 12%
- University Presses: 4%

Large Commercial: Journal Article Shares

- Elsevier: 26%
- Wiley-Blackwell: 12%
- Springer: 11%
- Informa: 4%
- WK Health: 2%
- Nature: 1%
Leading Publishers: Number of Articles in JCR Listed Journals

<table>
<thead>
<tr>
<th>Publisher</th>
<th>Number of Articles in Thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elsevier</td>
<td>265</td>
</tr>
<tr>
<td>Wiley-Blackwell</td>
<td>116</td>
</tr>
<tr>
<td>Springer</td>
<td>111</td>
</tr>
<tr>
<td>AIP/APS</td>
<td>41</td>
</tr>
<tr>
<td>Informa</td>
<td>36</td>
</tr>
<tr>
<td>ACS</td>
<td>34</td>
</tr>
<tr>
<td>WK Health</td>
<td>22</td>
</tr>
<tr>
<td>IEEE</td>
<td>21</td>
</tr>
<tr>
<td>IOPP</td>
<td>18</td>
</tr>
<tr>
<td>OUP</td>
<td>16</td>
</tr>
<tr>
<td>Nature</td>
<td>13</td>
</tr>
</tbody>
</table>

(Number of articles listed in the ISI Journal Citation Reports Science and Social Sciences 2008 databases; AIP/APS including member societies; Springer including BioMed Central and Springer Professional Medicine)
# Books: market positions

<table>
<thead>
<tr>
<th>Publisher</th>
<th>Medicine</th>
<th>Science &amp; Technology</th>
<th>Social Sciences &amp; Humanities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Springer</td>
<td>3,959</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informa</td>
<td></td>
<td>3,408</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OUP</td>
<td></td>
<td></td>
<td></td>
<td>2,459</td>
</tr>
<tr>
<td>CUP</td>
<td></td>
<td></td>
<td></td>
<td>1,566</td>
</tr>
<tr>
<td>Palgrave Macmillan</td>
<td></td>
<td></td>
<td></td>
<td>1,274</td>
</tr>
<tr>
<td>Elsevier</td>
<td></td>
<td></td>
<td></td>
<td>1,260</td>
</tr>
<tr>
<td>Wiley-Blackwell</td>
<td></td>
<td></td>
<td></td>
<td>1,201</td>
</tr>
<tr>
<td>Sage</td>
<td></td>
<td></td>
<td></td>
<td>779</td>
</tr>
<tr>
<td>WK Health</td>
<td></td>
<td></td>
<td></td>
<td>327</td>
</tr>
</tbody>
</table>

17.06.2010
eBooks: Elsevier

10101 titles found

- 10k titles
- Titles available in collections and on a pick-and-choose basis
- New purchase options to be introduced
- Backfiles of selected series (2.7K) and individual titles (CY 1995-2006; 2.8K)
eBooks: Wiley-Blackwell

- 8K titles
- Titles available in collections and on a pick-and-choose basis
- Pick-and-choose: either purchase or subscription
- Backfiles of 25 series from volume 1 onwards available (1.2K titles)
eBooks: Taylor & Francis

- 22K titles
- Titles available in collections and on a pick-and-choose basis
- Either purchase or subscription
## Books: market positions

<table>
<thead>
<tr>
<th>Field</th>
<th>#1 Publisher</th>
<th>#2 Publisher</th>
<th>#3 Publisher</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Medicine</td>
<td>Lippincott W&amp;W</td>
<td>Elsevier Health</td>
<td>McGraw-Hill</td>
</tr>
<tr>
<td>Biomedical &amp; Life Sciences</td>
<td>Springer</td>
<td>Wiley-Blackwell</td>
<td>Elsevier</td>
</tr>
<tr>
<td>Earth &amp; Environmental Science</td>
<td>Springer</td>
<td>CUP</td>
<td>Wiley-Blackwell</td>
</tr>
<tr>
<td>Chemistry &amp; Materials Science</td>
<td>Wiley-Blackwell</td>
<td>Springer</td>
<td>Taylor &amp; Francis</td>
</tr>
<tr>
<td>Physics &amp; Astronomy</td>
<td>Springer</td>
<td>CUP</td>
<td>Wiley-Blackwell</td>
</tr>
<tr>
<td>Engineering</td>
<td>Wiley-Blackwell</td>
<td>Springer</td>
<td>Taylor &amp; Francis</td>
</tr>
<tr>
<td>Computer Science (research-level)</td>
<td>Springer</td>
<td>IEEE</td>
<td>IGI Global</td>
</tr>
<tr>
<td>Mathematics &amp; Statistics</td>
<td>Springer</td>
<td>Wiley-Blackwell</td>
<td>Taylor &amp; Francis</td>
</tr>
<tr>
<td>Business &amp; Economics</td>
<td>Taylor &amp; Francis</td>
<td>Palgrave Macmillan</td>
<td>Edwin Elgar</td>
</tr>
<tr>
<td>Social Sciences &amp; Humanities</td>
<td>Taylor &amp; Francis</td>
<td>OUP</td>
<td>Palgrave Macmillan</td>
</tr>
</tbody>
</table>

17.06.2010
Number of eBooks available

- SpringerLink 37.000
- InformaWorld 22.000
- ScienceDirect 10.000
- Wiley InterScience 8.000
E-Book Collections 2010

• 17 E-Books Collections
  – clustered per subject category (from mathematics to geosciences)
  – 12 english language collections
  – 5 german language collections

• Content also from our professional publishers - Springer Fachmedien - (Gabler, Vieweg & Teubner)

• 6 Copyright years – 2005 to 2010
English language E-Book packages

- Springer E-Book Collections

1. Behavioral Science
2. Biomedical and Life Science
3. Business and Economics
4. Chemistry and Materials Science
5. Computer Science
6. Earth and Environmental Science
7. Engineering
8. Humanities, Social Sciences, Law
9. Mathematics and Statistics
10. Medicine
11. Physics and Astronomy
12. Professional & Applied Computing

~4,000 eBooks*

* STM English language books
copyright year 2010
German language E-Book packages

Medicine
Business and Economics
Computer Science
Engineering
Earth and Environmental Science
Chemistry and Materials Science
Mathematics and Statistics
Biomedical and Life Science
Physics and Astronomy
Behavioral Science
Humanities, Social Sciences, Law
Architecture, Design, Arts

Medicine
Business and Economics
Technics & Informatics
Natural sciences
Humanities/Social Sci./Law
E-Book Pricing

Number of students/Researchers (FTE's)

Research intensity (University, Research institution, Polytechnique)

Very small

Small

Medium

Large

Very large
Attractive Licensing terms

- campus-wide access (IP-authentification)
- remote access via VPN client
- Unlimited multiple users
- Free delivery of metadata
- No limitation to print
- Copy and paste for your personal scientific work
- Ownership rights – archival access
Advantages and disadvantages in a nutshell

**Printed version**
- Depending on opening hours of library
- Usage on site primarily
- 1 Book / 1 User
- Limited lending period
- Reference in OPAC on title level only
- High costs for physical storage
- High costs for re-selling / theft

**eBook**
- Usage / availability around the clock (24/7)
- Usage everywhere (remote access)
- 1 book / unlimited users
- Unlimited timely usage
- Reference on chapter level through various interfaces plus OPAC
- No need for physical storage
- No theft
- Archival rights – ongoing access
Global User Base of Academic / Scholarly Information

- Basic Researchers: ~1.2 million
- Applied Researchers: ~1.8 million
- Developers: ~3.6 million
- Students: ~100 million

Journals:
- Core User Group

Books:
- Core User Group
- Secondary User Group
- Secondary User Group

eBooks significantly enlarge user base of SpringerLink!
SpringerLink Total Usage: 2005-09

Usage up 24% to 165 million article/chapter downloads in 2009!

2009 Downloads:
- Journals: +19% to 109 million
- eBooks: +36% to 56 million
SpringerLink eBooks Usage 2007-09

Usage up 36% to 56 million eBooks chapter downloads in 2009!
eBooks usage much higher than anticipated

<table>
<thead>
<tr>
<th>Available Documents on SpringerLink</th>
<th>Document Downloads 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>eBooks Chapters</td>
<td>eBooks Chapters</td>
</tr>
<tr>
<td>16%</td>
<td>34%</td>
</tr>
<tr>
<td>Journal Articles</td>
<td>Journal Articles</td>
</tr>
<tr>
<td>84%</td>
<td>66%</td>
</tr>
</tbody>
</table>

17.06.2010
Chapter Downloads by Language

- At the end of 2009, there were approx. 36 thousand eBooks available on SpringerLink. Thereof, 29 thousand were in English and 7 thousand in German.
- Usage of German language titles was particularly high. More than 22 million chapter downloads, or 41% of total usage, were for those titles.
- The 29 thousand English language titles accounted for more than 32 million downloads, or 59% of total usage.

(Data adjusted for abnormal usage spikes due to massive downloading)
Chapter Downloads by Copyright Years

2009 Chapter Downloads by Copyright Years

- English
- German

Legacy eBooks: chapter downloads in 2009
- LNCS 2.5m
- LaBoe 0.8m
- LNM 0.7m
- LNP 0.4m

(Excl. Protocols; data adjusted for abnormal usage spikes due to massive downloading)
Chapter Downloads by Book Type – English Language Titles

- The average title in an English language eBooks collection (CY 2005-09) received 1,446 full-text chapter downloads in 2009.

- (Major) reference works and textbooks have proven to be particularly popular with users. Clearly at the top are the MRWs, with an average of 7,912 chapter downloads. However, an average MRW contains almost 1,400 sections, putting the high number of downloads somewhat in perspective.

Average Chapter Downloads 2009 by Title and Book Type

<table>
<thead>
<tr>
<th>Category</th>
<th>Average Downloads</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRW (N=95)</td>
<td>7.912</td>
</tr>
<tr>
<td>Textbook (N=1,196)</td>
<td>2.177</td>
</tr>
<tr>
<td>Reference Work (N=655)</td>
<td>2.061</td>
</tr>
<tr>
<td>Proceedings (N=3,936)</td>
<td>1.699</td>
</tr>
<tr>
<td>Professional book (N=1,359)</td>
<td>1.453</td>
</tr>
<tr>
<td>Average (N=16,601)</td>
<td>1.446</td>
</tr>
<tr>
<td>Monograph/Contributed volume (N=8,414)</td>
<td>1.142</td>
</tr>
</tbody>
</table>

(Only major categories are shown; Reference Works include Encyclopedia, Handbooks, and Reference Works; excl. Protocols and legacy titles; data adjusted for abnormal usage spikes due to massive downloading)
Usage by Package – English Language Titles

2009 Chapter Downloads by Collection

- Computer Science: 24%
- Mathematics and Statistics: 10%
- Biomedical and Life Sciences: 10%
- Engineering: 14%
- Physics and Astronomy: 7%
- Chemistry and Materials Science: 6%
- Business and Economics: 5%
- Earth and Environmental Science: 5%
- Professional and Applied Computing: 4%
- Humanities, Social Science and Law: 4%
- Behavioral Science: 1%
- Architecture and Design: 1%
- Medicine: 9%

(Data adjusted for abnormal usage spikes due to massive downloading; excl. Protocols and legacy eBooks)
Chapter Downloads by Book Type – German Language Titles

• The average title in a German language eBooks collection (CY 2005-09) received 3,186 chapter downloads in 2009.

• German language textbooks are extremely popular, with the average title having more than 5,500 downloads in 2009.

• The professional book program seemed to be also highly attractive to SpringerLink users in the academic and corporate environment, while the scientific books (mostly dissertations from GWV) showed lower download numbers on average.

### Average Chapter Downloads 2009 by Title and Book Type

- **Textbook (N=2,008)**: 5,590
- **Professional book (N=2,415)**: 3,239
- **Average (N=7,049)**: 3,186
- **Science (N=2,623)**: 1,300

(Only major categories are shown; data adjusted for abnormal usage spikes due to massive downloading)
Chapter Downloads by Collection – German Language Titles

- In 2009, the German language eBooks collection Computer Science & Engineering received 8.4 million chapter downloads, making it the most used collection by far.

- Second comes the Business and Economics collection with 5.3 million downloads, followed by the Life Science & basic disciplines (3.7 million), Humanities, Social Sciences (3.2 million) and the Medicine collections (1.9 million).

(Data adjusted for abnormal usage spikes due to massive downloading)
Chapter Downloads by Visitor Referral

- Library websites, and here especially the library OPACs, are the most important source where SpringerLink eBooks users start their search. Almost half of all external referrals are from those sites.

- Second come the general search engines, with 27% of all external referrals. Here, the generic Google search engine is most important. Traffic from Google Scholar as well as other search engines is marginal.

- Looking at the eBooks visits by Geography (next page), most users are from Germany (19% of all visits), USA (17%), and China (9%).

(Source: Coremetrics, Jan-July 2009, excluding Direct Loads and Internal Referrals)
eBooks Visits by Geography

- **Europe**: 40%
- **Asia-Pacific**: 23%
- **North America**: 20%
- **South America**: 1%
- **Africa**: 2%
- **Unknown**: 14%

**Top 3 North America**
- USA: 17%
- Canada: 3%
- Mexico: 0%

**Top 5 Asia-Pacific**
- China: 9%
- India: 4%
- Australia: 2%
- Japan: 1%
- Malaysia: 1%

**Top 5 Europe**
- Germany: 19%
- UK: 4%
- Italy: 3%
- France: 2%
- Austria: 2%

(Source: Coremetrics, Jan–Jul 2009)
Global R&D Spending

- **Americas**: 2% CAGR
  - 2007: $414 billion
  - 2008: $429 billion
  - 2009: $437 billion

- **Europe**: 1% CAGR
  - 2007: $274 billion
  - 2008: $279 billion
  - 2009: $281 billion

- **Asia**: 7% CAGR
  - 2007: $334 billion
  - 2008: $363 billion
  - 2009: $387 billion

**Growth 2009**
- Americas: 2%
- USA: 2%
- Europe: 1%
- UK: 0%
- France: 0%
- Germany: 0%
- Asia: 7%
- P.R. China: 16%
- India: 7%
- Japan: 0%

*Source: R&D Magazine: Global 2009 R&D Funding Forecast*
University Library
Heidelberg
From the classical lending library
to the digital library of today
today's lecture room
Print versus E- migration - all products global

- **2008**
  - Electronic sales: 44%
  - Paper sales: 56%

- **2009**
  - Electronic sales: 51%
  - Paper sales: 49%

17.06.2010
Print versus e-book sales

USA 2008: 83% Print, 17% eBook
USA 2009: 76% Print, 24% eBook

17.06.2010
Print versus e-book sales

Middle East 2008
- Print: 52%
- eBook: 48%

Middle East 2009
- Print: 56%
- eBook: 44%

17.06.2010
Print versus e-book sales

- D/A/CH 2008: 88% Print, 12% eBook
- D/A/CH 2009: 83% Print, 17% eBook

Date: 17.06.2010
E-Book sales 2009

- America: 33%
- DACH: 16%
- Southern Europe: 5%
- Africa: 1%
- Middle East: 7%
- Central Asia: 6%
- Australia: 4%
- Northwestern Europe: 7%
- Eastern Europe: 4%
- China & South East Asia: 13%
- Japan: 4%
Booksales in total

- Print books
- E-Books
- Total


Sales: 0, 20,000, 60,000, 100,000, 140,000, 160,000

Sales comparison for total, print books, and e-books over three years.
Sales channels

**Direct**

- E-book packages through Springer Sales Teams and trade partners
- Pick & Choose only for bookseries and e-references

**Via Aggregators**

- Pick & Choose of single e-books (no textbooks, no e-bookseries & no e-references
- MyiLibrary, Ebrary, NetLibrary, EBL etc.
“Let me hear another sound from you,” said Scrooge. “And you’ll keep your Christmas by lessing your situation. You’re quite a powerful speaker, sir,” he added, turning to his nephew. “I wonder you don’t go into Parliament.”

“Don’t be angry, uncle. Come! Dine with us to-morrow.”

Scrooge said that he would see him—yes, indeed he did. He went the whole length of the expression, and said that he would see him in that extremity first.

MARLEY’S GHOST

20
Preface

At the end of his review of my first book, Code: And Other Laws of Cyberspace, David Pogue, a brilliant writer and author of countless technical and computer-related texts, wrote this:

Unlike actual law, Internet software has no capacity to punish. It doesn’t affect people who aren’t online (and only a tiny minority of the world population is). And if you don’t like the Internet’s system, you can always flip off the modem. (NB: David Pogue, “Don’t Just Chat, Do Something,” New York Times, 30 January 2000.)
License conditions B-to-C (Third-Party Sales)

• Monographs only
• No textbooks
• no monographs from e-only bookseries (e.g. LNCS)
• one user per book only
• DRM (Adobe Content Server 4)
• 100% Listprice print = 100% e-only Preis
• only pdf format
The latest CIBER research suggests that eBooks will be the next publishing success story, although demand here could be even more spectacular, simply as a result of the enormous size of the student population, hungry for highly digested content.

CIBER: Information Behavior of the Researcher of the Future; January 2008
take the chance....

- [http://www.youtube.com/watch?v=Weg_sHxghcq](http://www.youtube.com/watch?v=Weg_sHxghcq)
Thank you for your attention
Any questions?

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Vice President Sales D/A/CH
dagmar.laging@springer.com