

COMPANY FOCUS

WHAT DOES THE FUTURE HOLD FOR THE BOOK?



*There was a high level of attendance from publishing houses, service providers and other sector professionals at Interquest 2011, chaired by **Gilles Biscos**. He has been monitoring the book and digital printing markets on both sides of the Atlantic for the last six years.*

The rise of digital printing is now no longer in doubt but the business models of the publishing houses are need revising with the growth in self-publishing, and the burgeoning variety of media options, e-readers and eBooks. Alongside the lack of visibility for the future of the book market in Europe and the United States, profitability remains the key concern among industry professionals.

The terminology used can sometimes lead to confusion and prevent understanding between customers and suppliers, as **Pascal Lenoir** of the CCFI (Compagnie des Chefs de Fabrication de l'Imprimerie et des Industries Graphiques), sees it. An eBook is a digitized electronic file and should not be confused with an e-reader, which is the reader, often a Kindle or an iPad.



Pascal Lenoir of the CCFI

The changing book market

There is a crisis in the distribution sector in the United States where 700 bookstores in the chain Borders were closed over six months. A new approach to books is emerging with bookshelves being replaced by electronic readers. The sales turnover in both France and the United States is suffering but, according to Gilles Biscos, this has not been too severe thanks to electronic contents. In the United States, in 2010, whilst literature sales were down 5.7% against 2009, the markets were bolstered by sales of university course books (+7.8%), professional books (+5%) and schoolbooks (+3.2%).

According to the figures for April 2011, Amazon sold 105 eBooks for every 100 printed books at the beginning of 2011 and at the beginning of 2011 eBooks accounted for 10% of literary sales.

Sales of e-readers totaled 4 million in 2010 and those of iPads reached 24 million in August 2011, 12% of Americans now have an electronic reader.

An analysis was carried out in the United States concerning the use of the iPad and Kindle for schoolbooks. The results of this show that 75% of students report a preference for printed books, with 66% of those aged 9 to 17 wishing to continue to read paper books, with just 6% of potential iPad users using it for reading and the rest using it to surf the net and play games. It seems that the preferred material for books is paper.

According to the publishers however demand for eBooks is

growing, fewer books are printed and bookstores are reluctant to hold stocks. Printers estimate that the share taken by this media this year is now 40%, compared with just 17% in 2010. Sales of eBooks will equal those of printed books by 2020! Adapting a file to make the text of a book readable by a reader does nevertheless require computer expertise.

Digital printing benefits from growth of e-books

The trend towards smaller print runs is increasing the preference for digital printing. A majority of publishers now make use of digital printing, with the aim of optimizing costs and productivity, 78% of them are satisfied with inkjet printers and as literary works tend to be printed in black and white, there is likely to be strong growth for this printing process. However whilst there is agreement in terms of the quality of the black and white output from inkjet machines, which is comparable to offset printing, opinions tend to diverge in terms of color printing, with some reporting that the quality is not high enough for the printing of images or cookery books. "Only 9% of digital printing is color", says Pascal Lenoir, "this is about cost and finding the markets". **David Platti**, Sales Director France for Rotolito Lombarda, explained how it was able to adapt to market expectations with its HP T3504 color rotary printer.

Trends in Europe and France

The European book market is highly concentrated among a number of major players, sales of printed books are down and the penetration of the eBook is slower than in the United

States, with very few Kindles being sold in France.

Digital inkjet printing is only taking off

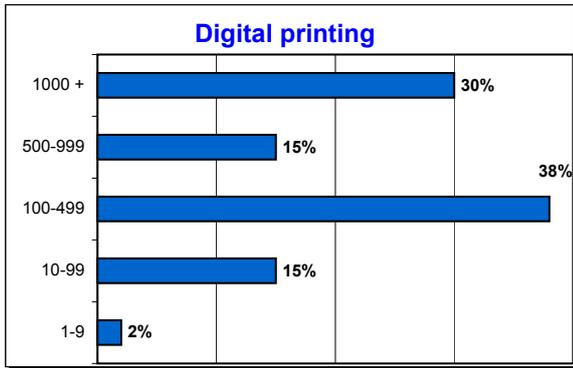
Great Britain, but the market share held by digital is set to increase between now and 2015.

Sales by turnover in France in 2010 were stable, with a 6% increase in new books over 2009, but with lower volumes. The share taken by digital products (e-books) was at 1.8%, and the internet accounted for 8% of sales. Digital printing's share increased from 2.5% in 2010 to 5.8% in 2011 and

European printing		
volume %	Offset	Digital
2010	98%	2%
2015	88%	12%

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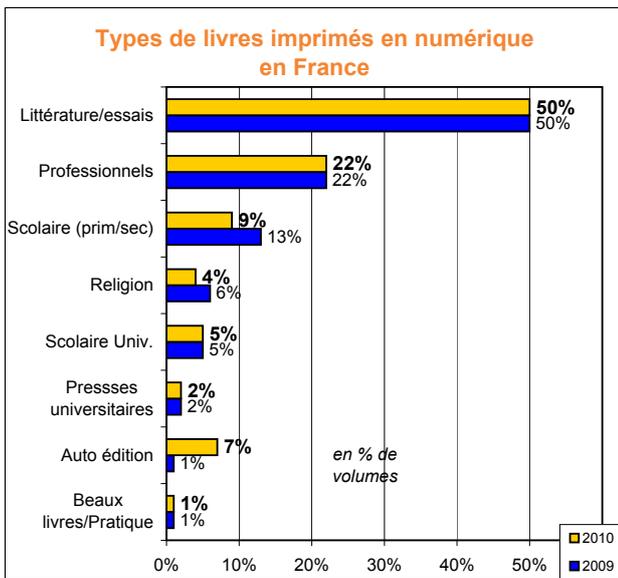
for print runs between 100 and 499 copies, 38% use this process.



For 2,500 – 3,000 copies, mono digital printing is competitive with offset.

There are still barriers facing digital printing but the forecasts are that it will account for 32% of printing by 2014, with offset expected to decline by 2.7%.

Of the various types of digital printed books, self-publishing was the only segment that grew on the previous year, but this printing process remains the most commonly used for literary and professional publications.



The digital printing market is a changing market! There is still however very little distributed printing and print on demand (POD), where the content of the book is digitized and printed to order, starting with just a single copy.

The paper challenge

Printers would like to be able to use the same paper for both offset and digital printing but the ink used for inkjet digital printing is very fluid and expensive. This means it is best not to use too much as it can freely penetrate porous papers and lead to possible over-inking with thick fonts and faint print with thin fonts. The solution is therefore to use “impermeable” papers, which is not a problem with woodfree papers although there are issues for slightly mechanical and

bulking papers. The other two possible solutions are more expensive, whether these are papers treated during the production process or those with a machine applied treatment. There is also an environmental issue around the difficulty of deinking recovered inkjet printed papers.

Striving for profitability and ideas

With smaller print runs and a saturated market, **Philippe Bretagnolle** of the Jouve Group, believes that printers now need to protect their margins and recommends the automated processing of orders, the optimized choice of offset and digital printing and specific logistical solutions for all volumes.

Jean-François Raynaud, from Isiprint, explained how to calculate the price of the book based on the numbers sold, whilst **Erwin Busselot**, head of Marketing and Markets in Europe for Kodak Prosper, agreed that it is difficult for a printer to give customers accurate prices because of the various inking rates, a parameter that is an obstacle to the introduction of color in Europe.

Frédéric Fabi, CEO of Dupli-Print, is interested in dematerialization as a means of transforming the paper support into a digital file and its rematerialization. “Content today needs to be devised as multichannel with openings, and information is worthless unless it can be found”. It is then about deciding how to “consume” the information. Another example was presented by **Marion Desmartin**, Production Manager for OECD publications, who explained that: “customers no longer buy books but access to the knowledge”.

In June 2000 **François Baudez** founded Yvelinédition, an original concept that offered a customized literary distribution for the Supermarket sector. August saw the launch of an exclusive collection for the Auchan chain, “Lire Délivre”. The words of the book are scanned very quickly and a classic work, such as Fontaine’s “Fables”, Homer’s “Iliad” or Renard’s “Poil de Carotte”, can be bought for between 3 and 5 euros. The digital printing is fast and the quality better than in a pocket book. It is available in 87 Auchan hypermarkets in France and following its success is due to be extended into French-speaking Belgium.

The creator of CopyMédia, **Pierre Picard**, produces 1 million books a year; his aim is to find a means of printing small print runs offering a good quality/price ratio. He is trying to further industrialize the production of books with hard covers and jackets, and improve the automation of the file processing which are often in non-standard sizes to meet specific customer requirements. He is now noting the emergence of demand for sales assistance.

There however remains an unknown element, the durability of the medium. It is the responsibility of the final reseller to guarantee this, whilst paper books are part of our heritage!

Patricia Fortin