From an Ownership to an Access Economy of Publishing[1]

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One of the major challenges facing the book industry today is the ongoing analogue–digital hybridity of consumer behaviour. Finding the right answers to the problems this presents to publishers requires an acute awareness of the intrinsic differences between analogue and digital media. This article suggests that it is helpful to regard digital publishing as an access economy and, in particular, to regard ebooks as like a broadcast medium.

Keywords: ebooks, publishing models, digital mentality, broadcasting

One of the most enervating aspects of the digital deluge in publishing is that it is occurring at the same time as the trade in conventional books continues to thrive. It is a challenge to keep the varying demands of atoms and of bits in focus simultaneously, for example in the very different business models that have to coexist. To illustrate this difficulty I shall start by discussing two recent news items. The first is about the photo that won the World Press Photo (WPP) of the Year 2012 award. In February 2013, Swedish photographer Paul Hansen was announced as the winner with a photo of two Palestinian boys killed when their house was destroyed by an Israeli missile strike. Almost immediately, Hansen was accused of having manipulated his winning image, the photo purportedly being a composite of several shots. It took forensic examinations by two independent

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experts to clear him of the allegation.

The second news item is about ebook lending in the UK. In 2013, *The Bookseller* (5 April 2013, p. 6) reported that, following the release of the Sieghart Review, the way was now clear to start pilots with ebook lending in public libraries in Britain. These were the Sieghart Review's key recommendations:

- The provisions in the Digital Economy Act 2010 that extend PLR [Public Lending Right] to audio books and loans of on-site ebooks should be enacted.
- Further legislative changes should be made to allow PLR to take account of remote e-loans.
- The overall PLR pot should be increased to recognise the increase in rights holders.
- A number of pilots in 2013 using established literary events should be set up to test business models and user behaviours, and provide a transparent evidence base: all major publishers and aggregators should participate in these pilots.
- Public libraries should offer both on-site and remote e-lending services to their users, free at point of use.
- The interests of publishers and booksellers must be protected by building in frictions that set 21st-century versions of the limits to supply which are inherent in the physical loans market (and where possible, opportunities for purchase should be encouraged). These frictions include the lending of each digital copy to one reader at a time, that digital books could be securely removed after lending and that digital books would deteriorate after a number of loans. The exact nature of these frictions should evolve over time to accommodate changes in technology and the market.[2]

So how might these two news items serve as vignettes to illustrate the widespread struggle to reconcile a digital with a material perspective on media: a bits with an atoms perspective?

To start with, it is not difficult to see where the two positions here presented are coming from. Digitally, photos can be easily manipulated in such sophisticated ways that they play havoc with our conventional understanding of photography as a form of realism. There have always been limits to the extent that photos could technically be made to deviate from their negatives. This has shaped current thinking about the permissible level of manipulation in a news photo, which, unlike, say, an art photo, we assume to stand in a documentary relation to reality. The WPP website phrases its position as follows: 'The contest entry rules state that the content of the images must not be altered. Only retouching which conforms to currently accepted standards in the industry is allowed. The jury will consider what they deem acceptable in each category during the judging.' Clearly, composing a single new image out of multiple separately recorded images, however straightforwardly this may be executed in a digital darkroom, does not conform to accepted standards in the industry. But what does? In an interview after he was cleared, Hansen said, 'As far as I'm concerned the only way to treat a photo is the way it used to be done in the darkroom. That is making an image lighter or darker. That used to be done by holding back or adding light' (*NRC-Handelsblad*, 16 May 2013, p. 36). An implicit norm that originated in the analogue era is here being applied to the digital situation. Only manipulation that used to be possible in the literal sense, i.e., with a physical hand, to analogue material is now judged acceptable in the case of digital material.

Similar reasoning lies at the basis of the Sieghart recommendations—but in this case with far-reaching economic as well as cultural consequences, notably for the book industry. The recommendations represent a compromise between the interests of all stakeholders:

- *Readers* may borrow books in whatever form they are made available commercially.
- *Authors* are given an extension of the PLR to cover audiobooks and ebooks.
- *Libraries* may provide reading matter to patrons in whatever form they wish to access it.
- *Booksellers* and *publishers* gain 'frictions' built into the lending process to protect their interests.

The frictions introduced for the benefit of booksellers and publishers are the '21st-century versions of the limits to supply which are inherent in the physical loans market'. What is the rationale behind these frictions? *Booksellers* are worried that their position—already

marginalized in the case of ebooks in that physical bookshops are not a natural port of call for the ebook buyer—is further threatened if patrons can borrow a book from the library without even having to go there in person. To readers, the difference between borrowing and buying an ebook is after all not very great. Why pay for a licence to gain access to a digital file you'll never own if borrowing access to that same digital file from a library is free? *Publishers* recognize that a single digital book sold to a library could in principle be lent to any number of patrons for all eternity (well, as long as hardware and software remain compatible) in as many copies simultaneously as patrons might request. This would cut the library sales currently enjoyed in the form of paper copies down to a single copy of each title. The proposed 'friction' in the ebook lending process is introduced to address these problems, and 'to ensure the taxpayer is not involved in distorting competitive markets', as Blackwell's Managing Director, David Prescott, put it.[3]

However understandable both positions (Hansen's and the book trade's) may be, from a digital perspective they appear utterly arbitrary. The friction the Sieghart recommendations introduce is no less contrived than the criterion that a digital photograph should be allowed to be manipulated only to the extent that photos used to be capable of being manipulated in an analogue darkroom.

How transferable is analogue thinking to digital realities?

Why is it worth pausing to expose these ways of thinking as analogue? Because we may well wonder to what extent these positions are tenable in a digital world. The point is that atoms and bits each have their own rules, which are firmly linked with the inherent properties of each. Atoms have all the characteristics of their materiality: for example, they can only be in one place at once, and there is only ever a limited supply of them. Bits on the other hand can, for example, be endlessly copied: the number of copies is never exhausted, and every copy is identical to the original. In other words, it is useful to understand what the inherent technological properties of media are and how they affect the sort of use we can and *want to* make of them. In what follows I shall compare the two analogue positions we have just examined with a scenario informed by the inherent properties of digital textuality. This scenario is already showing signs of being confirmed by actual, observable social phenomena. I think we can establish a close relationship between the inherent properties of dominant media technologies and certain observable social phenomena. To put it simply, society is moulded by its dominant media.[4] I shall illustrate this by looking at how reading habits are affected by the growing prominence of digital text forms.

The first observation of course is that reading—insofar as it is done digitally—is moving online. Even e-ink devices have recently been morphing from dedicated stand-alone devices to devices acquiring ever more tablet-like characteristics. Not only that, but ereaders are becoming less popular than tablets.[5] Offline reading is thus rapidly becoming less normative. To the practice of reading from screens online, all of the inherent technological properties of the digital medium as a network of digital computers apply. These comprise, for example:

- fluidity—i.e., instability of content, form, and existence;
- speed (virtual instantaneousness at any distance);
- two-directional communication architecture ('flatness');
- endless 'copying' ability at effectively zero marginal cost;
- convergence of modalities (besides text also still images, moving images, and sound);
- content-based access (full-text search);
- the potential for non-linearity in the form of hyperlinking.

Effects of digital properties

The effects of these properties can be clearly recognized in changes in *what* we read, in the nature and provenance of texts, and in *how* we read when we read from online screens.

In the *what* category, the volume of analogue text forms is becoming dwarfed by the vast and very mixed bag of digitized and digital-born materials. An important aspect of the digital-born portion is the extraordinary growth of the contribution resulting from Web 2.0 and its participatory culture: anyone can be an author,

as the plethora of blogs, comments, writing spaces, social media sites, and so on amply testify. Quantitatively, we have reached the point where a mere two per cent of all of the world's information is not digital. Apparently, the amount of digital information is such that if it were burned on CD-ROMs (a slightly antiquated notion), it would build five stacks from here to the moon. Moreover, the annual increase of digital information is a whopping 60 per cent. [6] Almost all of this digital deluge comes through channels other than those of commercial publishing. Individuals, businesses, government organizations, cultural institutions, public interest groups, or any other party with access to the Web can place online whatever they wish to share with the rest of the world without requiring publishers to intercede.

However striking the quantitative facts about digital text forms may be, the qualitative changes involved in reading online—the *how*—are even more interesting. I'll suggest just a few.

First of all, online reading takes place *in a multimodal environment* and within a converged media context. For the act of reading, this means a constant presence on most screens of a great deal of distraction. This is not restricted to textual forms (as in email, Facebook, Twitter, Whatsapp, and so on), but includes music, games, television, film, photos, maps, et cetera.

Secondly, online it is possible to locate what one wants to read *by searching* for keywords or full text, obviating the need to read—or at least browse—an entire text. Rather than discover interesting information in the context of a text's argument as a whole, it is easy to jump straight to any place inside the text. In the case of Google Books, the snippet view restriction often makes the context inaccessible even *should* the reader be curious about it.

Thirdly, selection in online reading is characterized by *forms of personalization* that are increasingly programmed as a computer algorithm rather than involving personal mental discipline. Such programmed personalization can take the shape of: Google presenting search results on the basis of an individual's prior search history; [7] recommender systems; alerting systems like RSS (rich site summary) feeds; subscriptions; home page personalization, etc. This subtly reduces the degree of serendipity to which readers subject themselves.

Wider cultural effects of this changing *what* and *how*

These changes in *what* and *how* we read are likely to distinguish the social use and perception of digital texts from those of printed ones. Though it is hard to establish firm cause-and-effect relationships, I think such a different social perception hangs together closely with the changes, and some sociological observations can already be made about this.

Some of the more obvious effects of the changes in what and, especially, how we read have been discussed extensively by Nicholas Carr (2010). Although Web use has probably vastly increased our consumption of 'reading miles', that reading is *more fragmented*, consisting of shorter texts that we read with less sustained attention (cf., Wolf, 2007, esp. pp. 16–23; Carr, 2010; see also Spitzer, 2012). It has been found that people do not always bring as much mental effort to screen reading as they do to reading on paper (see, e.g., Ziming Liu, 2005; Ackerman and Goldsmith, 2011).

What also sets digital text aside from the printed word is its *democratized nature*. The book (and printing more generally) is fundamentally a hierarchical medium, characterized, for example, by the fact that it requires investment (and so the criterion of commercial viability), that not everyone has access to publication, that the author is privileged over the reader in that the latters is the passive recipient in a one-way conversation. The Web, by contrast, as a democratic medium, is characterized by the lack of access barriers, and the principle of equality of reader and author.

As a result of the ease of Web search, even readers of print books and journals are getting used to finding them (and locations inside them) through online channels, leading to an *expectation of instant gratification*. The speed and convenience of the 24/7 online context have conditioned people to expect texts (and internet-based services) to be instantly available. For this reason non-digitized texts are at risk of dropping under the radar of many potential users. Machine readability is in other words becoming vital for access. Such reader impatience is one of the major problems bricks-and-mortar booksellers as well as libraries are up against in the competition with online retailers, both of e-texts and of print books.

The combination of searching and personalization possibilities predisposes reading to become *more reader-centred*. Passages (e.g., found through searching) can easily be read without awareness of their contextual significance, so the relevance of authorial argumentation is diminished. Search engine bias leads to reduced chances of being exposed to potentially corrective arguments and opinions. This can easily lead to users finding themselves inside a protective bubble created by their own preferences, reinforced by the clever algorithms of the large online information brokers (Pariser, 2011).

A large amount of reading is now done online, and this participatory, user-centred online environment represents a very different culture from that of the print book. Many readers, especially younger ones, seem to feel more at home in this reader-centred digital text culture. Students seem eager to bypass the (hierarchical) book system—notably the university library. As a corollary of this, as texts become more familiar, less strange, and less scary, they may also lose their traditional status, their symbolic capital. In short: we may read more in terms of sheer numbers of words, but increasingly the traditional publication circuit of publishers, booksellers and libraries, [8] which is associated with old-fashioned hierarchical one-way communication, is being bypassed as the relationship of readers with texts changes.

Economic impact

To show that these observations are not just of sociological interest, I would like to turn now to the potential economic impact of consumers' changing relationship with their reading matter on the commercial trade in ebooks. Again, my point is that this changing relationship is directly linked with the technological properties of the digital medium. My thesis is that, as a result of technological factors—such as, in particular, digital convergence—and their social effects, ebooks—like music before them—are moving towards the mass media (newspapers, radio, television) in the sense that access is becoming more important than ownership. Note that the same tendency is observable in film, with streaming taking the place of DVD sales.

To understand ebooks as a phenomenon, the natural (and most frequently made) comparison is of course with printed books. This comparison draws attention, for example, to the fact that digital books, like digital music, film, and other media, but unlike material goods, are inherently not characterized by scarcity. Ebook pricing, for example, lacks the benefit of a cost price per copy calculated according to the economics of a print run. However, an equally instructive comparison can be made with broadcasting. This is a less obvious comparison precisely because broadcasting remains such a hierarchical top-down form of dissemination. The reason it is so instructive nevertheless is that ebooks share a number of technological properties with broadcast media.

From an economic perspective, the first observation to make is that in both cases substantial initial fixed costs apply, but zero marginal cost (that is to say that once the message has been constructed or produced, there is no extra cost per extra reader, listener, or viewer). [9] This is what makes possible the 20 p ebook phenomenon or the Kindle Daily Deal, creating instant but utterly ephemeral one-day bestsellers. That buyers are not necessarily readers was already true in the print world. There are many reasons for this (such as the fact that book ownership conferred symbolic capital), but in the case of ebooks extremely low prices are an additional reason. It seems doubtful that ebook reading confers any more symbolic capital than digital reading at large. [10]

For the purpose of consumption, there is in the case of both ebooks and broadcasting also a primary emphasis on devices that offer access (wireless and TV sets, iPods, ereaders and tablets). Unlike the paper-based reading devices we call books, these devices are intrinsically empty of content; they merely offer access to meaningful 'content' by decoding the inscrutable and immaterial signals that they are able to receive and display. There is, however, also a characteristic of ereading devices that they share with (digital) music devices rather than with broadcasting devices. Ereading devices are not agnostic, but, like music players, many work with particular formats only. It is therefore through such devices—notably those sold by Apple and Amazon—that much of the battle for the ebook consumer is being fought. The devices are integral to Apple's and Amazon's respective ecosystems, which have been cleverly designed to enable friction-

less consumption. It has often been pointed out that the big tech companies have an unfair competitive edge through their stranglehold on the market. The report 'On the Interoperability of Ebook Formats' (Bläsi and Rothlauf, 2013) argues that this stranglehold not only should but, in fact, can be broken. However, we must acknowledge the possibility that consumers may, ironically, prefer the stranglehold. Most people appear to embrace the seamlessness of the Amazon ecosystem quite willingly, even as they must—or at least ought to—realize that they are killing the viability of local bookshops.[11] This is what is such a nightmare: the appeal of convenience is such that as consumers we tend to tie our own nooses only too happily. We are sold convenience and frictionless transactions, but we are paying with our freedom and our privacy.

The comparison with broadcasting stretches further. From always having been products, books in their digital incarnation are being redefined as services. It is obvious that this has major repercussions for ebooks and the future of the book industry, and not just because as services ebooks fall under the high VAT rate in Europe, whereas books are generally charged the low (in the UK, zero) rate. Moreover, just as in the case of broadcast material, ownership of ebooks is not really possible: access licences take over from outright sale, as understood by the US First Sale doctrine. As we have seen, it was the perceived lack of difference between borrowing and buying access to ebooks that caused the need for 'friction' to be built into the ebook lending process. In both cases nothing (and certainly no object) ends up being owned. No wonder that the perception of customers tends to be that ebooks are too expensive. The 20 p price point, however scary to authors and publishers, probably approaches the consumer's expectations more closely than the 75–80 per cent of print retail prices that are the norm in much of Europe.[12]

Are subscriptions ineluctable?

A number of alternative schemes for the publication of ebooks are already being proposed and implemented.[13] But given this similarity with broadcasting, following from ebooks' immateriality, and given also the close similarity in the consumer's perspective between buying and borrowing, do not subscriptions, already mooted here and there as an option, present themselves as a natural development? This would predict that there is a future for a Spotify for books (although attempts have so far not been hugely successful) and other models that take into account the inherent properties of ebooks as a digital medium, with all their detrimental consequences for, notably, booksellers and authors. It may in this regard be significant that Napster and even iTunes have recently (June 2013) announced streaming services.

It is clear that there are many reasons arising from the inherent properties of digital textuality why publishers have difficulties integrating ebooks into their businesses, and why they are equally a threat to bookshops. But in the meantime the printed book continues to thrive. Printed books are still the mainstay of the book trade and represent by far the majority of sales. Thus the real challenge for the book trade is not the digital revolution per se. If digital books were all there were it would not be so difficult to devise a working business model. Rather the challenge is that one has to make ebooks work *beside* printed books.

We have seen that there are two main drivers of change we need to understand if we want to understand the digital revolution. On the technological side these are the properties inherent in the digital technology. On the social side it is how people, and the book trade, respond to these properties and discover their uses. As far as the book trade is concerned, the big tech companies—notably, Apple, Amazon, and Google—have the advantage. Though often regarded as outsiders to the book trade, they tend to be among the first to make good use of the technology's properties, if only by buying startups. Many startups thrive on exploiting the inherent properties of the digital medium, but they lack the required clout. For example, iTunes was built with the expertise of the creators of SoundJam MP (which was developed by two former Apple employees), which Apple acquired in 2000. The large tech companies can throw money at both discovering the inherent properties of the digital medium and carrying out R&D that will evolve those properties. By doing so, they have a bigger grip on our future than any government—even the US government—has ever had. Ebooks would not be where they are today without the huge investments made by Amazon, in the Kindle hardware, but especially in the Kindle ecosystem, which was in turn

successfully copied from Apple's iTunes ecosystem. Investments notably include Amazon's willingness to run this ecosystem at an operating loss until it had all but cornered the English-language ebook market.

But, as I suggested earlier, the real challenge of the book trade is that it continues to have to function in a hybrid universe. Hybrid in the sense that books have become part of the very diverse media world at large in a way they never were before, but also hybrid in the sense that economically, legally, and culturally, to sell books today requires paper-based and digital ways of thinking at once. Pricing, for example, is an issue precisely because we live in a material–digital hybrid media world. How does selling a material product to be owned, with a minimum price largely determined by the costs of its material production and distribution, live alongside selling access to an immaterial service, where there is no intrinsic minimum price at all? And then there is of course a third type of hybridity the book trade has to deal with. For even the printed book is traded in digital ways. Selling printed books online is a very different business from selling them through bricks-and-mortar shops. Here the main challenge is how to contend with the psychological factor that the online emporiums of plenty appear to carry an unlimited inventory, whereas the local shop selling printed books appears by contrast but poorly stocked. That it does not make intuitive sense to purchase ebooks from a bricks-and-mortar shop is no help either.

If there is any substance in the notion of inherent technological properties which I have proposed, and if there is any lesson to be learned from the historical observation that dominant text technologies have had recognizable social effects, may it not be the case that certain concepts, such as ownership and copyright, may be so intricately bound up with the material, printed form of texts that they might be

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Notes

1 This article is based on a presentation given at the symposium 'Going Digital: Emerging booktrade organizations', Publishing Studies Summer School, Florence, 30 May 2013.
2 Sieghart Review, 'Section 7: A summary of the review's recommendations', p. 13 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/175318/ELending_Review.docx).
3 In *The Bookseller*, 15 April 2013, p. 6.
4 This is also the thesis of Adriaan van der Weel (2011), which compares the social consequences of the inherent properties of print and digital text technology.
5 See, for example, the data for the US provided by the Pew report (Pew Research Center, 2014, p. 2).
6 Economist and information scientist Martin Hilbert (http://www.martinhilbert.net/) specializes in such quaint titbits of information.
7 This phenomenon is extensively discussed by Elias Pariser (2011).[DESIGNER: Please ensure notes form a continuous numerical sequence.]
8 Cf., Robert Darnton's 'communications circuit' (Darnton, 1990, p. 112).
9 This is of course a simplification in that in the case of ebooks there are, for example, costs involved in administering user licences.
10 On ebooks and symbolic capital, see van der Weel (2010).
11 Stephen King announced that his latest novel *Joyland* will appear in a print edition only because he wants readers to go to a 'real bookshop' to buy it—never mind that it can still be bought from Amazon.
12 Price ranks high as a barrier to adoption mentioned in consumer surveys. In a GfK report of April 2011, 51 per cent of respondents named price as a barrier. In a recent Dutch survey about illegal downloading, the level of ebook pricing thought acceptable was no more than 42 per cent of print; in reality, prices may be 70–80 per cent of the print version. Figures are from: http://www.ivir.nl/publicaties/poort/Filesharing_2012.pdf.
13 This includes Open Access (see, for example, Open Book Publishers [openbookpublishers.com] and Open Editions [openeditions.org]), freemium (see, for example, Flat World Knowledge [flatworldknowledge.com]), and many other forms (see, for example, the joint presentation by Frances Pinter and Eric Hellman of their respective models at the Academic Publishing in Europe (APE) conference in 2013: river-valley.tv/media/conferences/ape-2013/0203-Frances-Pinter).