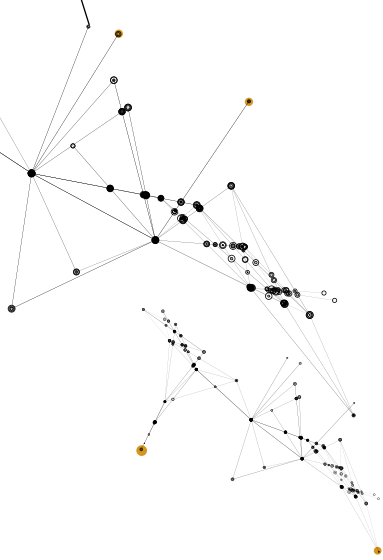




VIEWPOINTS ON PUBLISHING'S DIGITAL TRANSFORMATION

**DBW '16
Speakers**
Offer Insights
on Key Topics



VIEWPOINTS on Publishing's Digital TRANSFORMATION



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Offer **Insights** on
Key Topics

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March 7-9, N.Y.C.

Digital Book World Conference + Expo

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INTRODUCTION

This year's event is the **7th Digital Book World Conference + Expo, March 7-9 in N.Y.C.** The industry has changed a lot since the first one, when the whole concept of "agency pricing" for ebooks and the forthcoming debut of Apple's iBooks format was announced in the middle of our show! The Barnes & Noble ebook format, Nook, had just debuted. And Borders still had 400 superstores operating in the United States.

We are at a time when ebook sales seem to be at a plateau for big books and big publishers. But even if they don't take off again anytime soon, that doesn't mean that digital change has stopped. Or even slowed down. There's a reason why the show is called Digital Book World, not Ebook World. Ebook change has slowed, but digital change has not.

Each year's planning for the Digital Book World Conference + Expo begins with a Conference Council meeting the previous June. The Council is a group of executives from around the industry who give us guidance about what people need to learn, and from whom. This year we were told emphatically that publishers needed to better understand the big companies influencing our environment. That has led to a series of speakers who are experts in the shapers of the Internet, not just about books.

We have a heavy emphasis on digital marketing, which is where the worlds of print and ebooks meet in the digital age. Regardless of what format they read, the book business's customers increasingly learn about what book they want next through online means. We've got the industry experts on "inbound and content marketing" and "email marketing" talking about best practices in those areas. (And we have a couple of highly relevant Masterclasses on our pre-conference

program, among the many offerings on Monday, March 7, the day before the main DBW Conference begins.)

We also have a panel of service providers helping publishers and authors (and anybody with a web presence) operate their own retail outlet. This is an idea that has come and gone and come and gone among publishers for more than 20 years. But as the tech gets easier and easier to manage and cheaper and cheaper to offer, practical alternatives to Amazon affiliate status become increasingly worthy of consideration.

Transformation is a big theme at DBW 2016. Eight companies will talk about how they've changed substantially during the digital age. Perhaps the most transformed company of all is one of the industry's titans, Ingram Content Group, whose chairman and CEO will be a featured speaker (and contributed to this white paper). Each of these eight companies has a different story of how

they've built new products, found new revenue sources, changed their internal organization, and acquired new skill sets. Since all companies in the book business are changing, there is useful insight for many attendees to be gleaned from their experiences.

Among other forces - like the big tech companies - that publishers have to live with, DBW will examine anti-trust activity and copyright. There will be panel on investment in tech and what is likely to get funded in the months to come. A panel will talk about publishing's one unambiguous growth area: downloadable audio.

DBW introduces thinkers the publishing world needs to know about but doesn't yet. This year, one of those will be the anonymous Data Guy, the analyst responsible for interpreting the data scraped for the AuthorEarnings web site. Another will be Rand Fishkin of Moz. Fishkin knows more about Search Engine Optimization than anybody. That's a topic - which we call "discovery" - that is top of mind for publishers. Fishkin is the very best person in the world to talk about it. (And a Moz "trusted partner," Annie Cushing of Annielytics, is doing a masterclass on SEO among our Monday offerings.)

The 2016 Digital Book World Conference + Expo will make every book and content publisher smarter about their own business, and better prepared for the continuing change we will see before DBW comes around again in 2017.

Mike Shatzkin

Digital Book World Conference + Expo, Conference Chair
Founder of The Idea Logical Company
@MikeShatzkin

Michael Cader

Founder of Publishers Lunch and PublishersMarketplace.com
@PublishersLunch

Mike Shatzkin and Michael Cader are DBW's partners from Publishers Launch Conferences - two of book publishing's most respected analysts of the industry's digital transformation.



Sleeping Through a Revolution

By Jonathan Taplin

This phrase comes from a sermon by Martin Luther King, Jr. delivered at the National Cathedral two weeks before his assassination in 1968. King asserted that we were embarking on a technological revolution, but that many were asleep to the changes it would bring; and without some sort of moral framework, we would have “guided missiles and misguided men.”

If we explore the unexamined history of the Internet, we will see that the digital revolution, begun in the late 1960s by a very counter-cultural group of scientists led by Tim Berners-Lee, had the utopian purpose of (in the words of Nicholas Negroponte) “decentralizing power and harmonizing

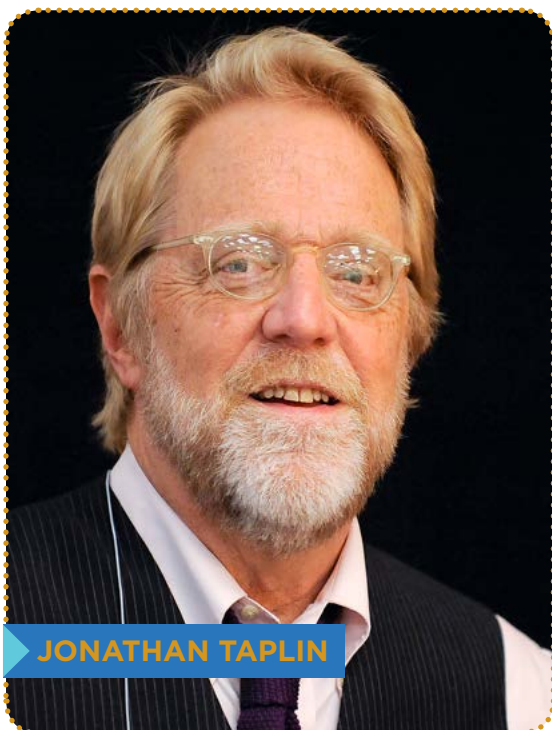
people.” For creative artists, the prospects of a democratized distribution network indeed seemed to generate endless possibilities. But by the late 1980s, a small group of radical libertarians based at Stanford University and led by Peter Thiel began to hijack the original vision of the Internet and to create instead a set of monopoly firms (Google, Amazon, Facebook) that destroyed the original vision of decentralization and harmony. These firms, whose business model is based on deep customer surveillance in order to sell products and advertising, is so far removed from the original ideas of Berners-Lee and his colleagues as to be unrecognizable. As MIT’s Ethan Zuckerman stated, “It’s obvious now that what we did was a fiasco, so let me remind you that what we wanted to do was something brave and noble.”

For artists, the dreams of digital democracy have turned into nightmares; the music, movie, book and journalism businesses have been decimated by the rise of digital monopoly platforms. A massive reallocation of revenue, on the order of \$50 billion a year, has taken place, with economic value moving from creators and owners of content to monopoly platforms.

What is hard to understand is that the radical libertarian philosophies of people like Amazon’s Jeff Bezos and Google’s Larry Page have allowed them to build monopolies with no threat of government regulation. It is only under such a relaxed antitrust regime that a company like Google with 85 percent market share in its core business would not be subject to prosecution. It is only under this laissez faire philosophy that Amazon with 70 percent of the ebook business would escape censure. Timid regulators make no account for monopsonies like Amazon, a market form in which only one buyer interfaces with many would-be sellers of a particular product. The effect of Amazon’s monopsony in the book business is to constantly force authors and publishers to work for less money. In Amazon’s view, as long as the customer gets lower prices, society should not care that writers cannot make a living, that independent bookstores go out of business and publishers die.

The solution to this dilemma is for publishers and writers alike to push the government to revert to the pre-Reagan era standard for antitrust enforcement, when consumer prices were not the only standard for harm. As former Secretary of Labor Robert Reich recently wrote, “Big Tech has been almost immune to serious antitrust scrutiny, even though the largest tech companies have more market power than ever. Maybe that’s because they’ve accumulated so much political power.”

A 2016 Digital Book World Conference + Expo speaker, Jonathan Taplin (@JonathanTaplin) is a Professor at the Annenberg School for Communication at the University of Southern California. Taplin is Director of the USC Annenberg Innovation Lab (annenberglab.com). He began his entertainment career in 1969 as Tour Manager for Bob Dylan and The Band. In 1973, he produced Martin Scorsese’s first feature film, *Mean Streets*, which was selected for the Cannes Film Festival. Between 1974 and 1996, Taplin produced 26 hours of television documentaries (including *The Prize* and *Cadillac Desert* for PBS) and 12 feature films, including: *The Last Waltz*, *Until The End of the World*, *Under Fire* and *To Die For*. His new book, *Sleeping Through A Revolution*, will be published by Little Brown & Co in the spring of 2017. Taplin graduated from Princeton University. He is a member of the Academy Of Motion Picture Arts and Sciences and sits on the International Advisory Board of the Singapore Media Authority. He was appointed by Governor Arnold Schwarzenegger to the California Broadband Task Force in January of 2007. He was also named one of the 50 most social media savvy professors in America by Online College, and one of the 100 American Digerati by Deloitte’s Edge Institute.



JONATHAN TAPLIN

The Four Horsemen

a Q&A with Scott Galloway

Scott Galloway (@profgalloway) is a clinical professor at the NYU Stern School of Business, where he teaches brand strategy and digital marketing. He is also a 2016 Digital Book World Conference + Expo presenter.

In 2012, Professor Galloway was named “One of the World’s 50 Best Business School Professors” by Poets & Quants. He is also the founder of Red Envelope and Prophet Brand Strategy. Galloway was elected to the World Economic Forum’s Global Leaders of Tomorrow, and has served on the boards of directors of Eddie Bauer, The New York Times Company, Gateway Computer, and UC Berkeley’s Haas School of Business. He received a B.A. from UCLA and an M.B.A. from UC Berkeley.

At DBW '16, Galloway will present on the “Four Horsemen” of the digital era: Amazon, Apple, Facebook and Google, which are all companies of great interest in the changing book publishing ecosystem. In this Q&A, he offers a preview.



SCOTT GALLOWAY

Q: How is the book and content publishing ecosystem being shaped by big tech companies? What role do they play?

A: Technology has torn down the barriers to entry that have allowed traditional media companies to continue to reap profits while hanging onto outdated, high-cost business models. Almost 50 percent of media consumption now happens on digital platforms, and new, tech-driven competitors are siphoning off eyeballs and ad dollars from traditional media outlets. These new companies are also redefining viewer expectations. Consumers now expect on-demand, multiplatform and personalized offerings – and are only willing to pay for a truly premium content experience.

The change is apparent in all conventional media outlets – books, magazines, newspapers and television. Even Cable TV, the largest and most protected bastion of traditional media, is losing its grip.

Q: Why should the book and content publishing communities pay close attention to the “Four Horsemen” of the digital era: Amazon, Apple, Facebook and Google?

A: Those four companies are all technology companies, and tech is sharing the throne with content. Old media companies like HBO and Time are taking measures to become, or at least look, technology savvy. Meanwhile, new media outlets like BuzzFeed and Vice are investing in content creation practices that mimic traditional media. (E.g. Vice’s partnership with HBO.) Despite their efforts, none of these two groups will achieve the scale of media companies that produce no content. Google, Facebook, Amazon, and to some degree Apple have a media distribution businesses, and reach more eyeballs than any other media company.

Q: What important lessons have you learned from studying the “Four Horsemen,” which would be of key interest to the book and content industries?

A: Similar to any other industry at this time, media has become a winner-take-all ecosystem. There are players that achieve enormous scale, and those that struggle. There isn’t room for mid-size in this category. In a 2-percent growth economy, any company that is growing faster than 2 percent has a losing counterpart. Facebook, Google, Amazon and Apple growing at astronomical rates leaves little room for second-rate players.

Q: How can businesses in the book and content publishing arenas win the “horserace”? What strategies should they adopt?

A: They should decide early on what type of company they are – premium or mass market. Premium brands in media are well-defined. They have a recognizable brand and exclusive, must-have content that costs a lot to produce. Their scale is large but not enormous, and they are able to sustain themselves with a consumer base that will pay for their content, or high CPM advertising. *The New York Times* and HBO are both examples of premium media companies.

Mass Market, on the other hand, is ad-supported. The brand must have enormous reach and a low-cost model for producing non-exclusive content. BuzzFeed is an example of a thriving mass market brand.

Once brands find out what type of model they are, or have the potential to be, they can either focus on quality content or building reach and perfecting a low-cost production model.

Q: What type of company is a potential “loser” here?

A: The hybrid companies that fall somewhere in the middle of the mass market to premium spectrum will lose, or at least struggle. Those in the upper middle class of media companies – *The Atlantic*, *The New Yorker*, *The Washington Post* – have all of the characteristics of premium brands (including exclusive, expensive content), but desperately need to expand their reach to become global brands. Middle class companies – AOL, Time, Vox, Business Insider – have content that is neither premium nor low-cost, and will likely need to explore alternate revenue sources. Business Insider, for example, has a research and conference business that supplements income from ads. And Vox is experimenting with licensing its publishing platform.

Q: What predictions or recommendations do you have for book business leaders?

A: Since books are unlikely to reach an audience the size of mass-market digital media brands, leaders must categorize their business as premium and cultivate the elements that make a premium media brand. They should work on building a recognizable brand name and identify exclusive content that readers are willing to pay for.

Q&A: John Ingram on Transforming His Legacy Business



Over the past 20 years,

John Ingram, chairman and CEO, Ingram Content Group (@IngramContent), has been leading the successful transformation of Ingram Content Group. What was once primarily a book wholesaler has become a comprehensive, innovation-driven company that, founder and Ingram's father, E. Bronson Ingram may not recognize.

John Ingram, a DBW 2016 speaker, discusses how Ingram Content Group continues to diversify to keep Ingram relevant in the content services world.

Q: When did you know Ingram had to begin transforming, and how did you start making change happen?

A: My first inkling that times were changing was in the mid-1990s when the Internet really started taking off. Recognizing that Ingram must evolve to remain relevant, our first step was the creation and introduction of print-on-demand technology, and we printed our first POD book in early 1998. Not a success at first, we kept refining it until it became a successful and valuable part of our business. One that opened the door to more experimentation with new services, such as digital content distribution, full-service distribution and more.

Q: How has Ingram Content Group's evolution progressed?

A: It's been a remarkable and uneven journey at Ingram Content Group, but one that we're proud of and one that continues to unfold.

Our transformation has really happened over the past 20 years, and at an accelerated rate over the past 10 years. Nothing tells the story better than a look at how our bottom line breaks down. Today, 60 percent of our earnings come from services that didn't exist 20 years ago. We've gone from a company focused solely on book wholesaling to a global business specializing in the distribution, production, storage, creation and assembly of content in all forms.

We've developed and added new services in and around print on demand, automated print on demand, ebooks, digital learning materials, publisher distribution, content customization, a self-publishing platform (IngramSpark), just to name a few. Recently, we acquired Aer.io, a service that allows publishers, retailers and authors to sell and fulfill print and digital books directly to

readers via their websites, blogs and social networks. We also have a venture fund with investments in multiple other promising services.

Much of this diversification is due to our own pursuit of innovation and investment in technology. Being on the cutting-edge of technology while having the right talent to lead new and different pursuits has been critical.

We've also adopted a broader mindset. While based in Nashville, Tennessee, we now have locations and significant business relationships around the world.

Q: How have you managed to make such innovative and drastic changes at Ingram Content Group while maintaining the company's core business?

A: Keeping our core business of book wholesaling running smoothly to meet our customers' needs remains an important part of our business. The difference now is that it is only part of our business and not our entire business. It's an important part of Ingram, but now we also provide a set of other solutions to help our customers succeed in new ways.

Our transformation has also required a cultural shift to one that values and cultivates creativity, innovation, experimentation and even failure (although we like to fail fast and learn quickly.) We've found a new equilibrium between control and innovation.

We aim to be strategically opportunistic, which requires us to be more nimble and flexible. And, with our clearly defined vision and set of core values, we're able to move in a chosen direction while being agile.



Q: What does the future look like for Ingram Content Group?

A: Our commitment to diversifying our business will continue and accelerate. First and foremost, we will continue to invest in our people; it's our associates who make change happen at Ingram. We will invest in and use emerging technologies to help publishers, retailers, educators and libraries grow their own services.

The demands of readers and learners around the world will continue to morph and change. We want to ensure that our partners in these endeavors can take advantage of the right tools, services and technologies to deliver content in all formats to readers around the world.

We'll continue cultivating innovation internally while seeking it externally. For example, together with the Nashville Entrepreneur Center, we recently launched the 1440 Accelerator, a publishing-focused business program for entrepreneurs whose ideas and services have the potential to influence our industry. I hope we'll do more of this in the future to help entrepreneurs bring relevant services to our industry.

We're all on a journey - one that isn't always clear or linear, but one that has opportunity and will continue to evolve. At Ingram, we are transforming to create a company that can offer our clients and customers the very best in content-related services. My hope is that the work we do today will set this company and our industry up for success today and tomorrow.

John Ingram is chairman and CEO at Ingram Content Group Inc. He also serves as chairman of the Ingram Industries Inc. Board of Directors. He earned a Bachelor of Arts degree in English from Princeton University, and a Master of Business Administration degree from the Owen Graduate School of Management at Vanderbilt University. He is an active volunteer and board member in many educational and charitable organizations, and is chairman of the board of the Entrepreneur Center and a member of the Board of Trust of Vanderbilt University.

Transformation, Personalized Content and New Revenue Streams

a Q&A with **Dominique Raccah**

DBW '16 speaker Dominique Raccah (@draccah) is the entrepreneurial CEO of Sourcebooks, which she founded in 1987. Today, Sourcebooks is one of the largest independent book publishers in the United States and is home to dozens of bestselling authors.

Growing through small and large innovations, Sourcebooks has repeatedly created new ways for readers to interact with books, from Poetry Speaks (called the “definitive anthology” of poets reading their own work) to Put Me In The Story, the successful app and website that allows you to personalize bestselling books.

Today, Raccah is fascinated by the digital transformation of the book and wonders what more the future might hold for books and readers.



DOMINIQUE RACCAH

Q: When it comes to transformation and the book publishing industry, what lessons has Sourcebooks learned?

A: Agility is a key component of both finding innovative opportunities and taking advantage of those opportunities. Agility is often a challenge for traditional book publishers. If you think about it, the whole of a publisher's infrastructure is geared towards creating a single final (or fairly fixed) product. But tech and transformation are iterative. Building a new platform requires constant iteration. As just one example, because we're constantly working to deliver the best experience for both our content partners and customers, we're now on version 4.0 of our personalized book builder engine and make important consumer-oriented enhancements to that functionality weekly.

Q: Tell us about Sourcebooks' personalized book platform and what industry changes the new platform reflects.

A: We are at the very beginning of understanding the impact of personalization on content. This is a new space in which content creators interact with their fans, allowing them to create a new and distinct product personalized for the user's needs. Our children's platform, Put Me In The Story, is an example of this type of content personalization and is today the No. 1 personalized books platform in the United States. Readers love Put Me In The Story because great personalization can create a profound connection between kids and books. We personalize bestselling books to create beautiful physical books that children will cherish forever. What's revolutionary about this platform is that it uses bestselling author content to create new additive revenue for authors, licensed brands and publishers. As Mike Shatzkin has said “...nothing says 'transformation' more than revenue sources you didn't used to have.”

Q: How will the evolution of personalized content change our industry and the way that readers interact with books?

Continued on the Next Page >>>

A: Put Me In the Story is a children's gift platform. We're seeing applications of our personalization engine in other spaces beyond kids and have already begun testing some of those new areas. While personalized children's books have been around for a long time, some of these other personalized content areas are really new and are going to lead to other kinds of innovative and exciting products for authors and consumers. There are now opportunities to personalize bestselling author content for new product lines such as placemats, wall art, mugs, you name it! These products open further revenue opportunities for authors, illustrators and publishers that had been previously unavailable.

Q: What was your motivation for launching your new business models?

A: For the last decade, I've been interested in how can we use digital to expand the field of publishing for authors, agents and retail partners. Can we create new revenue streams, new discovery mechanisms, new ways of reaching readers, and more innovative expansion strategies for our retail partners? As a result, Sourcebooks has tried dozens of major experiments and hundreds of smaller ones. Much of what we tried didn't work. But we've now found a number of new business models that are complex to implement but ripe with opportunity.

Q: What new revenue streams do you see now and in the future for authors and licensors?

A: Personalized books are just one successful execution within a world of possibilities, and even there the opportunities seem pretty limitless. We're finding new, additive readers for authors and licensors through our direct sales mechanism, which includes finding them online, in the app space, in our large base of email subscribers, through a variety of SEO/SEM strategies, online and social ads, major deal sites, traditional media (our books were just featured on The View, the Today Show and Good Morning America), and the list goes on. We have partnerships with traditional retailers, both online and bricks-and-mortar. We're working on scores of other ways of putting books in front of people where they are. It's really so much more than just building a website. I mentioned before that this is a gift opportunity, not just books. We're helping our authors, illustrators and license partners add revenue beyond the book itself with things like personalized wall art, growth charts, lunchboxes, and whatever else customers want next. "Personalized" is a key for many of those, and our existing and growing customer base make for a robust marketplace. But it all starts with creating

a GREAT experience for the reader/user. You want to create something that's "pretty damn cool" (as BuzzFeed just called our personalized coloring books).

Q: What data can you share about personalized content and new revenue streams?

A: We have learned a couple of things. First, we know that personalized book sales are NOT cannibalizing retail sales. In fact, it looks like the marketing we do on Put Me In the Story may actually enhance sales for some titles. Put Me In the Story is the home of bestselling books and product from Nancy Tillman to Marianne Richmond, from Sesame Street to Disney. These are books that already have perennial, wildly successful track records in traditional retail stores. The data we have indicated retail sales holding steady and in some cases increasing, and we are adding significant NEW revenue. As an example, for one of the books on the site, Put Me In The Story sales makes up 44 percent of unit total sales (BookScan plus Put Me In the Story); for

another it is 12 percent of total unit sales, and for another it is 66 percent. When you combine that information with the knowledge that personalized is not cannibalizing retail print, and the fact that the personalized book price point is significantly higher (\$24.99 - \$39.99), you can see right away that this is absolutely a win for our content partners.

The other thing we continue to learn is the value of data. Customers are not predictable. It's essential to be constantly testing and analyzing. One surprising thing we've seen is all of the different ways our customers use our personalized books. We would never have predicted some of these use cases. We've even seen a customer propose marriage with one of our books.

Data really matters to publishers today. This direct input from customers is all new information. And this continuous focus on the customer and data analysis will lead you to new (often unexpected) opportunities.



Delivering High-Quality Digital Products & Services

a Q&A with Clay Stobaugh



As EVP and CMO, Clay Stobaugh (@ClayStobaugh) is responsible for John Wiley & Sons' marketing, communications and government affairs efforts worldwide. He leads Wiley's revenue-driving marketing initiatives through key disciplines in the global "Marketing Revenue Center," including customer experience, demand generation, CRM, sales enablement, social media, content marketing, digital commerce, digital analytics and SEO/SEM.

Focused on developing customer relationships and driving new revenue opportunities, Stobaugh has helped to lead Wiley's transformation from a traditional book publisher to a global provider of digital content and content enabled solutions.

Prior to joining Wiley, Stobaugh led emerging technology companies in the legal, financial, and healthcare industries to successful financial exits and generated over \$200 million in shareholder payouts. Previously, he served in senior management roles for Reuters and Nestle Switzerland, where he successfully launched the Nespresso division in the USA. Stobaugh earned his BA from Tulane University and his MBA from Harvard Business School.

Stobaugh, a DBW '16 presenter, talks about lessons Wiley has learned, the company's digital marketing approach, and having the right mindset, skillset and toolset to succeed.

Q: When it comes to publishing's digital transformation, what lessons has Wiley learned that would be of value to the industry?

A: Digital helps Wiley bridge the gap between education and employment and drive innovative research in ways never before possible. As a knowledge and learning business, digital drives our approach. In fact, 60 percent of Wiley's revenue comes from digital. It is important to deliver high quality digital products and services, whether it is online courses or programs for universities, employment assessments for our corporate partners or scholarly journals for the research community.

Q: What is Wiley's digital marketing approach?

A: Wiley's digital marketing approach focuses on customer experience and, in particular, our Customer Engagement Framework. The Customer Engagement Framework acts as our go-to-market plan that starts with customer segmentation and persona research, and ends with tracking and measuring customer lead volume and velocity. By using this framework, we are able to make informed marketing decisions and enhance the experience of our customers. We also established a center of excellence called the Marketing Revenue Center (MRC), to enhance our work with customers. The MRC works across Customer Engagement, Global Branding and External Communications. Within these groups we have areas of expertise such as sales enablement, reporting, marketing automation, SEO, customer experience, social and digital commerce.

Q: How are you cultivating this approach internally at Wiley?

A: At Wiley we empower our colleagues to drive these initiatives. Each Wiley employee within our marketing team has three core strengths: a mindset, a toolset and a skillset. The mindset focuses on being a true modern marketer that is data driven and knows how to focus on results. The toolset encourages colleagues to use the tools from our partners such as Salesforce.com, Adobe, Oracle, BrightEdge and Jive. Mastering best practices from these best-of-breed vendors helps to guarantee our customers a great experience. Lastly, the skillset focuses on employees honing in on their marketing skills through in-house learning programs in

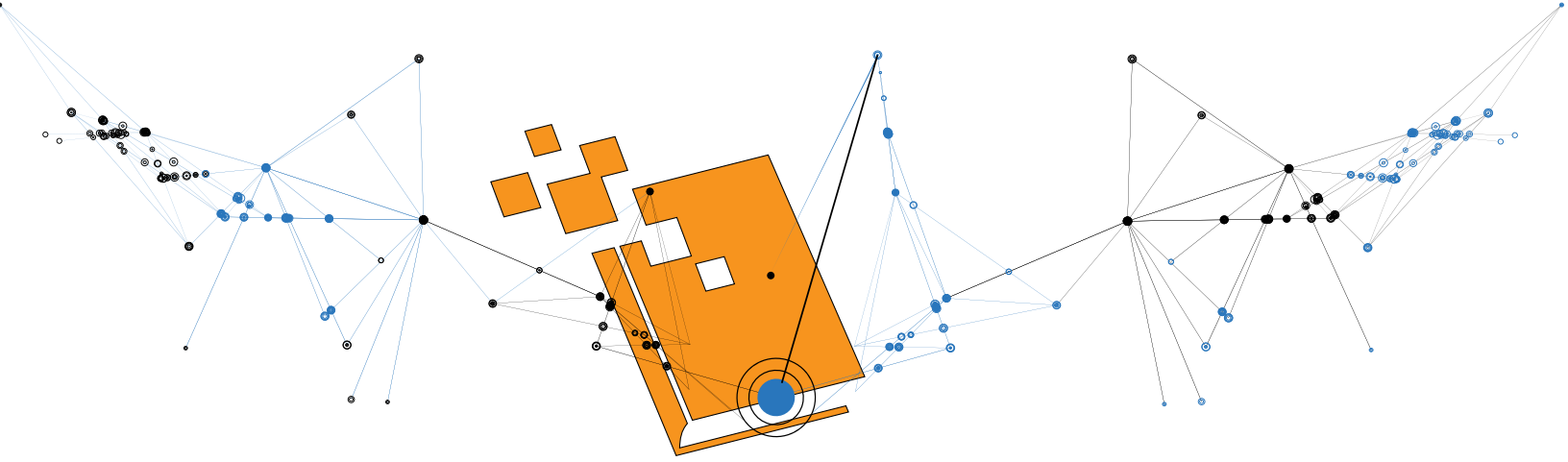
modern marketing. What has now become an award-winning certification program from Wiley, these learning programs ensure our colleagues have the skills they need to be successful. This includes areas such as social marketing, digital analytics, SEO and customer experience advocacy. This program ensures our colleagues remain up-to-date with marketing best practices so that they not only have the mindset of modern marketers but also the skillsets to deliver best practices.

Q: How does this work in practice?

A: To put our work in perspective, Wiley recently focused on revitalizing the *For Dummies* customer solutions product and service. The marketing team focused on targeting Marketing Managers in various industries and conducted persona research to understand their wants and needs. The *For Dummies* marketing team was then able to reach this targeted segment through customized content in various channels, as well as measure and analyze customer lead volume. By utilizing the mindset, toolset and skillset of our marketers, Wiley was able to create a campaign-generated SQL pipeline that was 144 percent above the team's original goal. Based on this campaign, the content marketing company Kapost named Wiley one of the top 50 best B2B marketing brands of 2015.

Q: What mindset does a business need to succeed with publishing's digital transformation?

A: Businesses need to shift their mindset to focus more on measureable results. The era of the creative marketer has been eclipsed by the rise of the data marketer also known as the modern marketer. Modern marketing allows customer needs to help drive the conversation. It is through modern marketing and the data now available that the customer's voice can be heard loud and clear; it then becomes the marketer's responsibility to ensure they use this information to improve the customer's journey.



The **Pace and Direction** of Our Work Will Never Be the Same

By **Susan Ruszala**

Running a market- ing services business in the book space

is exhilarating, demands agility, and provides insight into the habits and best practices of both the largest and smallest publishing companies in the world.

In four fundamental ways the pace and direction of working in books has shifted:

1. It's Easy to Work Globally, Though Difficult to Master Global Markets.

In every market in which we've launched NetGalley, the market has come to us: readers, first, and then publishers and authors. These markets are interested both in tapping into the large English-speaking market efficiently, and in harnessing the power of our influencer platform in their local market. Technology eases movement into a new market; global scale delivers daily lessons and advantages; but nuances and culture must be respected and embraced.

2. It's Easy to Work Anywhere, and Short-Sighted to Restrict the Team to "Book People."

Our company operates in five time zones, without an office. We use collaborative tools to plan, communicate and operate, and we make our limited personal interactions meaningful. While many of our team members hail from the book world, an increasing number are technologists, designers or marketers with a love of books but no publishing background. It's a wonderful advantage to tap into this much larger potential workforce and to see the startling parallels between our business and other verticals.

3. It's Easy to Love Print Books, but Difficult to Avoid Digital.

The alleged resurgence in print sales may be a red herring: digital is here to stay. There are unavoidable advantages in speed, efficiency, information sharing and access when digital is used correctly and in concert with print. We love both.

4. It's Mandatory to Market and Sell Everywhere.

For every book, there exists a community of readers, and every individual reader has some measure of influence. Finding and activating those communities is our daily work (though it's not the business we set out to build, as we'll detail during a panel at DBW). Never before has it been easier to measure influence, and give book advocates new tools and incentives to help books succeed. But the challenge of exposure is daunting – which makes a coordinated, consistent and sustained plan of attack essential. We've all gotten smarter and savvier at connecting to different channels, measuring activities, and adjusting as needed.

Like many of the publishers and authors we encounter, we work fast, fluid and fun. We pivot to take advantage of our assets. Most of all, we look forward to what tomorrow will bring.

Susan Ruszala is president of NetGalley (@NetGalley), an innovative and easy-to-use online service and connection point for book publishers, reviewers, media, librarians, booksellers, bloggers and educators. NetGalley delivers digital galleys, often called advance reading copies, or ARCs, to professional readers and helps promote new and upcoming titles. Professional readers – reviewers, media, journalists, bloggers, librarians, booksellers and educators – can join and use NetGalley at no cost. NetGalley is a division of Firebrand Technologies, a leading provider of publishing technologies, services and solutions.



SUSAN RUSZALA



Elastic Ebook Pricing

a Q&A with Nathan Maharaj

Nathan Maharaj has always been a bookseller, starting part-time at Chapters, Canada's top national book-selling chain in 1997. He joined Chapters-Indigo's procurement team in 2006 as category manager for audiobooks and a handful of non-fiction categories. In 2009, he joined Shortcovers, Indigo's e-book initiative which later that year became Kobo, the global e-bookseller partnered with bookstores around the world. Maharaj manages an international team of digital booksellers spanning eight languages and over a dozen countries as Rakuten Kobo's (@kobo) director of merchandising.

Kobo is committed to working with publishers, authors and booksellers to advance the transformation of books from print to digital. The company provides its world-class digital reading experience to millions of readers around the world through Kobo.com and its bookseller and retail partner network, represented by thousands of locations around the world.

Maharaj offers insights on elastic ebook pricing, which he will discuss in a session at the upcoming Digital Book World Conference + Expo.

Q: What's the current state of ebook pricing, and why is it elastic?

A: When we talk about price elasticity in ebooks, it's important to bear in mind that to truly know if price is elastic, we need to look at the same titles. That's not the case when we talk about the rise of self-publishing and how it's grabbing market share from the big trade publishers.

When we isolate titles and look at how demand moves in response to changes in price (in the absence of promotional activity) price elasticity is largely absent. And bear in mind that the best tests on this happen only on titles sold under wholesale terms, where retailers can set sell prices and gain experimental data. With agency titles, if the price doesn't move, it's hard to say anything about elasticity.

Q: What are the challenges and opportunities with pricing in the ebook marketplace?

A: I don't think agency publishers are changing prices as dynamically as they should - and I think many of them know that! I suspect that there's been a fear that being too aggressive with ebook pricing would lead to rapid erosion of hardcover sales, but with the ebook market having stabilized, I hope to see publishers' comfort with dynamic pricing to increase in an effort to drive further growth. I'm optimistic that we'll see at least one of the "Big 5" starting to make noticeable moves here soon, to the mutual benefit of its agents (aka. retailers) and authors.

Q: What ebook pricing mistakes should the industry avoid?

A: Often we see ebook prices set in relation to print, which is fine if you're accounting for the price the consumer will actually pay for a paperback. Setting the agency price for an ebook at \$10 when the paperback is widely available discounted online for \$9 is a common sort of mistake. When we're looking for ways to continue ebook growth, there are some ripe opportunities right under our noses.

Q: What advice do you have for the industry regarding ebook pricing?

A: You can never go wrong thinking like the customer. Envision what they're spending on entertainment - not just books, but apps, music, Netflix, to say nothing of free content that they spend attention on, like podcasts and BuzzFeed. Books are still a very good value proposition in terms of dollars per hour of entertainment. But they don't live in isolation.

And embrace the mid-week price change! There's no structural need on the retailer side for price updates to come in all at once on the same day of the week. Fiddle. Play. Hopefully: learn. (And then tell us what you learn when you're selling in the next month's releases!)

Q: What does the future hold for digital publishing, and what mindset does a business need to succeed in this arena?

A: The future's anyone's guess, but I think we need to adopt a curious and experimental mindset. And we need to think of readers as omnivorous, not only between book formats, but all kinds of content. We need to keep thinking about how to make books a part of more peoples' lives, whether they read 100 books a year or just one.



NATHAN MAHARAJ

The State and Future of Digital Audiobooks

a Q&A with Erica Lazzaro



Erica Lazzaro is general counsel and director of publisher services for OverDrive, Inc.

(@OverDriveLibs) a global digital media distributor. She leads OverDrive's licensing, content acquisition and business development efforts, helping booksellers and publishers worldwide find success with multichannel digital distribution. Lazzaro also works closely with OverDrive's executive team on strategic relationships and has negotiated agreements with leading companies in the digital media industry. In this Q&A, she offers insights on digital audiobooks.

Q: What's the state of audiobooks and digital downloads of audiobooks?

A: As the leading distributor of ebooks and audiobooks to libraries and schools, we've seen a surge of interest and adoption of audiobooks in those channels over the past two to three years. We just delivered another record year of sales for our audiobook publisher partners and expect that trend to continue in 2016.

Q: What kind of audiobook growth has the market seen, and what are some of the drivers for growth, now and in the future?

A: Usage and sales of audiobooks in our channels has outpaced ebooks. We can attribute this growth to a number of factors, including the shift to MP3, the industry standard, which increases ease of use and compatibility with nearly all devices. Another key driver is the addition of new publishers and new titles to the OverDrive catalog, broadening the availability of audiobooks across genres.

Q: What does the industry need to consider when it comes to ensuring the successful future of audiobooks?

A: Libraries continue to prove their value as a key channel for discoverability and sales for publishers, and we believe that libraries' position in the marketplace will only

grow in importance in the coming years. It goes without saying that keeping pricing competitive and fair will also contribute to a successful future. Now that usability has largely been solved, we encourage the industry to continue to get the word out and promote the benefits and convenience of audiobooks, to expand the reach and to attract more new users.

Q: What's happening with the "streaming" of audiobooks, and will that become more popular?

A: We think so. In the past year, OverDrive launched "OverDrive Listen," the browser-based audiobook player for instant listening without download or app. Any innovation to increase convenience, ease of use, less reliance on local device storage, and speed to begin listening to the audiobook will only increase popularity and, thus, usage and sales.

Q: Thinking about the book publishing industry as a whole, what transformation lessons has OverDrive learned?

A: OverDrive has operated as a trusted partner of publishers since the late 1990s, and we have been a key part of the industry's evolution over that time. We're proud to have participated in the development of industry standards (EPUB) and innovative access models for libraries, and know that the bar is set high to meet the needs and expectations of our partners. We're particularly excited about another transformation that is taking place - the opportunity for "combination products," that is, the marriage of audio and text. We've introduced OverDrive Read-Alongs - EPUB eBooks with audio synced to the text without an app, that open instantly in a browser on any device - to meet this growing market demand.

Q: Audiobooks, transformation, being successful in the future: What recommendations or advice do you have for book business professionals?

A: Consider the value of a variety of distribution channels to fortify your sales strategies. OverDrive can offer numerous successful examples of publishers who have expanded their distribution network, overcoming the fear of cannibalization and instead realizing discoverability and financial gains that maximized the ROI on their investment. Our standard distribution agreement with publishers is non-exclusive, and we encourage all publishers to consider such a strategy for their channel partners.



ERICA LAZZARO

What Publishers Need to Know About **©**opyright a Q&A with Karyn Temple Claggett

Karyn Temple Claggett is associate register of copyrights and director of policy and international affairs at the United States Copyright Office (@CopyrightOffice). She supervises a team of expert copyright lawyers in the Policy and International Affairs department of the U.S. Copyright Office and assists the Register in advising Congress and executive branch agencies on domestic and international copyright matters. Temple Claggett also represents the Copyright Office on U.S. government delegations to international organizations and in meetings with foreign governments. Prior to joining the U.S. Copyright Office, Temple Claggett previously served at the U.S. Department of Justice as senior counsel to the Deputy Attorney General of the United States, and held several positions in private practice, including serving as a vice president at the Recording Industry Association of America. She received her J.D. from Columbia Law School and her B.A. from the University of Michigan.

At DBW '16, Temple Claggett will participate in a session on changes to global copyright law and what publishers need to know. In this Q&A, she offers a sneak-peek.

Q: Opportunities to author, disseminate, and use creative works are evolving in the digital economy. How must copyright law evolve in order to support an increasingly diverse landscape of creators while benefiting the broader public?

A: Copyright law must evolve to adequately reflect the expectations of both creators and users of copyrighted works. This means that the law must be kept both updated and balanced. Failure to do so can create a number of problems.

First, a law that is out of date and does not reflect the way in which people interact with copyright law in their daily lives often becomes almost impossible to understand. As Register Pallante stated in the Copyright Office's 2016-2020 Strategic Plan, today, it is "impossible to separate copyright law from the fabric of everyday life." But without evolving the copyright law we risk being stuck in-time, applying analog terms to digital problems. Courts are then called in to step in more frequently, which can sometimes be even more confusing to the average lay person. Ultimately, a law that

is misunderstood becomes a law that is neither respected nor followed.

Second, and this is an aspect of the first point, copyright law must respect and maintain an appropriate balance of protections and of limitations and exceptions. Although the term "balance" has turned into somewhat of a cliché, it is a cliché for a reason – it is critically important for copyright law to effectively protect creative content while being flexible enough to support uses of copyrighted works in new ways. An unbalanced law, whether one that is too focused on protection or one that is unbalanced in favor of overbroad exceptions, again, is one that will neither be respected nor followed. For those reasons, it is important that Congress periodically review the law to determine if improvements or updates are needed.

It is worth bearing in mind as we do review our law, however, that the fundamental basis and framework of our copyright law is strong – it has served us extremely well. The United States is home to a deep and diverse set of creative communities, which in turn contribute mightily to the U.S. economy (both in terms of GDP and employment) and at the same time is also home to some of the most innovative technology companies in the world.

Q: In Washington, the debate surrounding copyright law is often framed as legacy content creators vs. innovative technology companies. What can publishers do to reframe this debate to highlight the innovation and collaboration in the creative economy?

A: It is important that content creators emphasize the benefits of copyright not only to creators themselves but also to the general public. In this day and age of Snapchat, Instagram, YouTube and independent publishing, everyone is a copyright owner and everyone is a copyright user. Yet, copyright is flexible and adaptable enough to allow a myriad of uses and business opportunities, whether it is permitting free of use of your content while requiring attribution or credit, or monetizing your work more fully.

It is important that the general public understand that copyright law serves as the framework and basis to accomplish those goals. Unfortunately, copyright law in the digital age seems to have become somewhat of a scape goat for all that is wrong



KARYN TEMPLE CLAGGETT

in the digital environment. It is important that content creators remind the public that copyright is itself "...the engine of free expression," see *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 558 (1985), and to explain to a sometimes skeptical public how important copyright law is to your and their everyday lives.

It is also extremely important to change the framework of the debate and to emphasize that technology and copyright go hand in hand – they are not mutually exclusive, in fact they are quite symbiotic. Copyright creators utilize innovative technology companies to reach their consumers whenever and however they can. Technology companies in turn often rely on content creators as the backbone of their businesses. Far from being a debate or competition between technology and content, the two industries must and do work together as partners.

Q: What role does technology play in achieving a modern U.S. copyright system and what can the publishing industry expect from a modern Copyright Office?

A: Our Office has always emphasized that a fundamental aspect of keeping copyright law updated and working effectively in the digital age is ensuring a modern Copyright Office. As we noted in our 2016-2020 Strategic Plan (and in earlier testimony and speeches), the U.S. Copyright Office must be a model for twenty-first century government. This includes an Office that is "lean, nimble, results-driven, and future-focused" in a way that can provide enhanced services to its customers across the copyright spectrum from large businesses to individual creators. The information and services we provide through a modern registration and recordation system can assist a host of innovative business models. Some of our goals in this regard include using technology and software that is interoperable with private industry to streamline processes, and improving our web interfaces. Operational goals like these will have a direct and positive impact on the publishing industry.

Changes to Global Copyright Law and How They Will Impact Your Business a Q&A with Roy S. Kaufman



Roy Kaufman is Copyright Clearance Center's (CCC) managing director of new ventures and is responsible for expanding service capabilities as CCC (@copyright-clear) moves into new markets and services.

Prior to CCC, Kaufman served as legal director, Wiley-Blackwell, John Wiley and Sons, Inc. He is a member of, among other things, the Bar of the State of New York, the Copyright and Legal Affairs Committee of the International Association of Scientific Technical and Medical Publishers, and the UK's Gold Open Access Infrastructure Program. He was the founding corporate secretary of CrossRef, and formerly chaired its legal working group. He has lectured extensively on the subjects of copyright, licensing, open access, text/data mining, new media, artists' rights, and art law. Kaufman is also editor-in-chief of *Art Law Handbook: From Antiquities to the Internet*, and author of two books on publishing contract law. He is a graduate of Brandeis University and Columbia Law School.

Kaufman will speak on changes to global copyright law and how they will impact your



ROY S. KAUFMAN

business. In this Q&A, he presents insights.

Q: Copyright law is a constant background conversation in the publishing industry. What are some of the changes that could affect U.S. publishers in the near future?

A: There are a number of pending efforts to make changes to the copyright landscape. The European Commission is looking at adopting more effective notice and take-down rules for pirated online content, and is also looking at broadened exceptions to copyright protection. Meanwhile, Australia, South Africa and a number of other countries are looking to expand exceptions. On the other hand, the Trans-Pacific Partnership treaty, if ratified, will require a number of growing economies, which have historically not done much to protect author and publisher rights, to implement effective copyright laws. Finally, but continuously, in common-law countries like the United States, there is a steady pressure through lawsuits to widen exceptions and limitations to copyright, including fair use in the U.S. or fair dealing in the U.K., Canada and other countries, in response to changes in technology and society.

Q: What are some of the big changes taking place around the world when it comes to copyright law?

A: Copyright law always involves a push and pull. Some countries will expand the protections available to rightsholders for infringement, while others are considering loosening protection. For publishers, the biggest changes I would expect this year are that we will see a strengthening of protection in less developed countries that have been historically lax, and a loosening of protection in more developed countries that have historically protected rights at a high level.

Q: What impact do these global copyright law changes have on U.S. publishers? What lessons can be learned?

A: Impacts can be extreme. In 2012, Canada broadened its copyright exceptions to include educational use as part of the scope of "fair dealing." In the United States, courts often consider educational use as part of the fair use analysis, but it is not the same as fair dealing. As a result of the change in law there, U.S. publishers have not only lost revenues from Canada, but they have had to shutter Canadian subsidiaries, meaning that they have mostly stopped publishing specifically-Canadian content (like Cana-

dian history and literature texts). One large independent Canadian publisher has filed for bankruptcy, and one small Canadian publisher, who previously produced poetry and anthology books for the Canadian educational market, is pivoting entirely to the U.S. market.

Q: Why is it important for the book business community to keep global copyright law changes on its radar?

A: Changes outside the United States can radically impact business planning. I know of a small educational publisher based in the United States for whom the loss of rights revenues in Canada means lower overall revenues, and therefore reduces the number of books published here in the United States.

Q: What changes can you foresee within the U.S. Copyright Office?

A: Congress, the United States Copyright Office, and the United States Patent and Trademark Office are all looking at various aspects of copyright law, including enforcement issues and a possible extended collective license for mass digitization of text works. With that said, it is very hard to predict what changes, if any, will be made, especially during a presidential election year.

Q: What can the publishing industry do to be prepared for copyright changes?

A: Policy changes don't happen in a vacuum. They happen because a stakeholder interest group advances them. Changes in law can be good, bad, neither or both for publishers, depending on their markets and business models. Publishers should become aware of what is happening, and engage, either directly or through trade associations. Trade associations need member participation; government staff appreciate hearing from those who aren't lobbyists. Also, changes in copyright law should factor into publishers' strategic planning. What would it mean to your business if Australia adopted Canada's fair dealing exception, as it is considering doing? Would you build that new office in Perth? What would it mean if the European Union widens the scope of exceptions to copyright? Would your sales into Europe decline? Publishers need to be actively engaged in conversations about these important issues.



What Does the Audience Get out of the **Digital Book World Conference + Expo?**

By **Mike Shatzkin**

1. An updated view of the companies larger than our whole industry, whose development actually shapes the context of digital change in the book business.

Digital change is much bigger than the book business. We live in a world that is being shaped and changed by forces that dwarf our industry. It has long been this way. The growth of malls and then destination superstores created the retail environment that spawned Walden and Dalton in the 1960s and 1970s, and then saw them replaced by Borders and Barnes & Noble in the 1980s and 1990s. Today, our ability to sell our wares is also shaped by forces bigger than we are.

We're living through a massive shift of revenue and value from content creation entities to tech entities. That's a topic on which Professor Jonathan Taplin of USC, with a background in both music and film (and a new book contract) has long focused. He will describe how Silicon Valley has

hijacked many of the dollars that used to go to content creators, and provide some suggestions about what we content creators might do to address the challenge in his conference-opening talk, "Sleeping Through a Revolution."

Our world and everybody else's online ecosystem is being largely shaped by four giant innovating companies: Amazon, Apple, Facebook and Google. Professor Scott Gallo way has been examining them and has a great YouTube talk about them called "The Four Horsemen." He will examine the strategies and future plans of those companies, with special attention to how they affect the book business, in his "The Four Horsemen" talk on Day Two.

The fear that the big tech companies could have too much impact on how the future world is shaped is alive here and in other countries as well. Anti-trust attorney Jonathan Kanter's talk on "Antitrust, Tech and Book Publishing" will examine that question, describing what is possible and practical in terms of monopoly control and anti-trust. Kanter will also be available in a break-out session to take questions. In addition, we've

recruited Jessica Saenger of Germany's Borsenverein to talk about European Union and individual country actions in Europe affecting Amazon and Google, among others, and how that legal activity could affect U.S. and other English-language publishers.

Copyright law is being challenged to keep up with the technology changes in an increasingly unified globe. Copyright Clearance Center's Roy Kaufman will lead a panel discussion about copyright law changes both in the United States and outside that could affect publishers' commercial activities in the near future

Another view of the Internet and commerce will come from writer and author Virginia Heffernan, whose book entitled *Magic and Loss: The Internet as Art* is due out in June from Simon & Schuster. Heffernan's talk is called "The Art and Economics of the Internet: How digital has changed our culture and the way we buy and consume content." Heffernan's talk will give us a conceptual framework in which to consider how book content and its creators fit into the evolving digital world.

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Mike Shatzkin (@MikeShatzkin), chair of the Digital Book World Conference + Expo, is a widely-acknowledged thought leader about digital change in the book publishing industry. He has been actively involved in trade book publishing since his first job as a sales clerk in the brand new paperback department of Brentano's Bookstore on Fifth Avenue in 1962. In his nearly 50 years in publishing, he has worked in all aspects of the industry: writing, editing, agenting, packaging, selling, marketing and managing production. His insights about how the industry functions and how it accommodates digital change form the basis of The Idea Logical Company's consulting efforts, where he is founder and CEO.



MIKE SHATZKIN

One more collision between book publishing and the tech world will be a panel discussion on “Women in Tech.” Publishing has long been, and has thought of itself as, a female-friendly business. As a recent kerfuffle about SXSW demonstrated, the tech and finance worlds seem to have a misogyny problem. DBW will feature a panel discussion among women in publishing and tech to examine whether that conflict presents us with any special challenges, or does the publishing reality of long acceptance of powerful women overcome less progressive attitudes in the tech world with which we increasingly interact?

2. Defining and teaching the new skills needed to be successful in a changing publishing world.

The most important “new” skill publishers require is often referred to as fostering “discovery” in our world, but is actually the developing science/art referred to as SEO: search engine optimization. SEO is the body of techniques by which publishers attack what we call the “discovery problem,” making sure their books are found by the consumers who might want them.

Rand Fishkin is the founder and CEO of Moz, the most important SaaS company helping everybody with SEO, and he is also the leading blogger on this topic. Fishkin will speak on “Understanding SEO in a global, local and mobile world” (defining the new skill) from the main stage, and then he will be available for a breakout session at which he can answer attendees’ specific questions about the SEO challenges they face (teaching it).

The overall question of “skill sets” requires awareness in hiring that we haven’t needed for years. That’s why we have Lorraine Shanley, head of Market Partners International and one of our industry’s top executive recruiters, leading a panel on “Finding the Talent Today to Build the Great Publishers of Tomorrow.” Shanley has recruited HR executives from three leading publishers

to discuss this topic, which is one that is top-of-mind for every publishing company of any size as it does its hiring.

Publishers are also having to learn new marketing techniques, where they talk directly to their customers. We have four panel discussions planned to educate DBW attendees on that aspect of change.

Rachel Chou of Open Road Integrated Media will lead a discussion of “Inbound and Content Marketing.” Publishers have a natural advantage over other businesses doing content marketing because they have lots of content and the ability to create it. Chou’s panel will talk about the techniques to use that content to draw audiences and build a relationship with them.

Peter McCarthy, the industry’s leading digital marketer and our partner at Logical Marketing Agency, will lead a conversation about “The Book Buyer’s Journey: Understanding the Consumer Path to Purchase.” In this session, which will include Peter Hildick-Smith of Codex and others, the panelists will make clear that where the *purchase* is made is not necessarily where the *purchase decision* was made. Publishers have far more interest in affecting the *decision*, and need to understand what this session will teach them to know where to exert their marketing efforts.

Jim Hanas of HarperCollins will lead a discussion on “Email Marketing: How to build (and use) an email list that matters.” Harper itself has built a big mailing list for BookPerk, a house version of the industry email alert service BookBub, alerting subscribers to deeply-discounted ebooks

And Robin Warner, managing director of investment bankers Desilva and Phillips, will moderate a panel of service providers that enable publishers and others to run their own book and ebook retailing operations. Direct sales have been a shiny object attracting the attention of publishers since the earliest days of the Web; now there are many players – including industry leader Ingram – trying to make it easy for publishers to capture that opportunity.

We will also have three panels featuring providers of digital technology solutions: on “production,” on “sales analytics,” and on “DRM and rights.” Publishers are always striving to improve the tools they use in all these areas, and these DBW panels will bring them up to date with the best capabilities available.

3. An up-to-the-moment assessment of the “state of the industry” right now.

Publishing has a multiplicity of data sources that measure different things in different ways and on different timescales. Misreading the data is easy to do, and not uncommon. DBW ‘16 will be helping publishers with that challenge.

Michael Cader, proprietor of industry web-portal Publishers Marketplace and the newsletter Publishers Lunch, as well as our Publishers Launch partner building and presenting Digital Book World itself, will do a main stage talk on “Understanding Industry Data.” Cader will review where data can come from: Nielsen Bookscan, Pubtrack, and feeds and reports from major accounts, and show us how things fit together, when they don’t, and how to read industry reality from that evidence. Is ebook use really shrinking? Are print books really making a comeback? How can we tell anomalies from trends?

Following Cader’s talk, he will interview the newest and most provocative analyst on the publishing scene, the man who calls himself Data Guy. DG does the analysis of the data scraped and aggregated on the Author Earnings website, created by indie author Hugh Howey. He presents persuasive evidence that indies are taking share from the publishing establishment and that higher prices for agency ebooks might have something to do with that. We anticipate such interest in Data Guy’s research and analysis that we have also given him a breakout slot after the main stage talk, so he can field questions.

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#DBW16

You’re invited to attend the 2016 Digital Book World Conference + Expo, March 7 – 9 in New York. DBW ‘16 features an array of visionaries and influencers – both publishing leaders and pundits from outside the industry – who’ll share insights about the digital-driven, global content market and how to capitalize on every opportunity. Register at digitalbookworldconference.com.

March 7-9 2016

N.Y.C.

4. The environment in which publishing exists is changing; the industry itself is changing. Inevitably, the companies in it must be changing, too. Some companies are changing so much they could be characterized as “transformed.” At DBW ‘16, we will feature “the faces of transformation”: leaders of companies who are becoming (or have become) something quite different than they were before the digital era began. Every company’s transformation is different but a better understanding of what company “transformation” has looked like among many in our industry – and what it takes to do it – will be helpful to others still wrestling with major change.

We define transformation as a real change in a company’s purpose and/or processes, the kind of change which requires new skills and no procedures and which threaten to disrupt the legacy ways of doing things even while those legacy practices are still necessary for the company to prosper. One common earmark of transformation is the creation of new revenue sources.

Ingram Content Group probably exemplifies transformation better than any other company in our industry. The venerable printed book wholesaler started to become something quite more than that when it created Lightning Print (now Lightning Source) as a “print on demand” service in the late 1990s. Chairman and CEO John Ingram will discuss “Transformation at Ingram” with Mike Shatzkin on the main stage and will explain how his company has transitioned so that now more than half of its gross margin comes from businesses it wasn’t in less than two decades ago.

Also from the main stage, Rodale Publisher Mary Ann Naples will discuss the changes in her shop, which was formerly only about books and magazines for enthusiasts but now has web properties, including “courses” among its offerings as magazines as a business model fade into history.

We will also feature three pairs of transformation stories as breakout sessions that will enable a Q&A from the audience.

One pairing will be CEOs Dominique Raccach of Sourcebooks and Marcus Leaver of Quarto, two very different companies undergoing great change.

Raccach, who has run Sourcebook since she founded it more than two decades ago, will focus on two web businesses that deliver revenue directly from consumers. “Put Me in the Story” is a custom book offering that creates personalized versions of the leading children’s books in the market. “Simple Truths” delivers content to motivational and business book audiences. Both businesses, especially “Story,” are growing quickly while, at the same time, Sourcebooks continues to publish both fiction and non-fiction in conventional ways with great success.

Leaver took over a sprawling empire in Quarto three years ago and has reshaped the company. He is also building his direct-to-consumer capabilities, and a foundation of that effort is a new QuartoKnows website. Leaver has reconceived the business around 10 vertical areas of interest (like Quarto Cooks and Quarto Homes) and used the vast amounts of intellectual property the company already owns to build a content-rich offer that makes sense and helps sell the company’s books. He has also redefined roles and responsibilities to take a company that was built from many disparate pieces into a coherent global entity.

A second pairing is of two companies strong in the education space, John Wiley and Houghton Mifflin Harcourt.

Wiley’s story will be told by Clay Stobaugh, their chief marketing officer. He will focus on things they’re doing now that wouldn’t have been possible with the book-centric organization they had a few years ago. Stobaugh sees Wiley having already transitioned from being primarily a book publisher, in trade and in college textbooks, to now boasting a major professional services, skills and development group, while serving academic markets increasingly through digital journals and tools.

Cheryl Toto will tell the story of still-transitioning HMH, which has moved from a venerable trade and K-12 book publisher

to a company focused on “educational content and experiences” – with substantial investments in edtech, adaptive learning, and more.

Two relative newcomers we are putting in the same session are NetGalley and Diversion.

NetGalley’s story will be told by its CEO, Susan Ruzsala. The company started as a service for publishers to enable the distribution of digital galleys. Over time, they built a network of reviewers. Now that they are expanding outside the United States, it is clear that the network they built has become the most important component of their value in the United States, rather than the service they began with and which they are now offering overseas.

Diversion is a book publisher that started as a digital-first publishing company. As their VP Editorial Director, Mary Cummings, will explain, they have now also built an ebookstore business with community aspects for romance books called EverAfter. This would be the ambition and dream of any romance publisher, and this relative upstart has accomplished it.

The ongoing shift in the relationship between publishers and authors could perhaps be called an “industry transformation.” On the one hand, authors are a more important component of a book’s marketing than they ever were before. At the same time, authors have more choices of ways to reach readers than they had in the past.

A panel featuring author guru Jane Friedman (the blogger and consultant, not the CEO of Open Road) and literary agent Jane Dystel, and which will also include authors, will discuss “Finding Common Ground: How publishers and authors – regardless of what path they’re taking – are working together.” Authors are still the essential “raw material” for all publishers, and the new opportunities they have to be their own publishers tug on the basic economics of the relationship. Publishers are aware of this and doing things to make their own authors “happier,” including new author “portals” that make sales data available more quickly and in greater detail than it ever was before. What the future holds for the author-publisher relationship is essential for all of us to understand and will be an important element of this discussion.

MARCH 7-9 2016

MARCH 7 - 9, 2016 · HILTON NEW YORK MIDTOWN
DIGITAL BOOK WORLD
CONFERENCE + EXPO



The Digital Book World Conference + Expo (DBW) is the largest event worldwide dedicated solely to the business of digital publishing. It features some of the most prominent thought leaders and innovators in the industry.

DBW focuses on digital content and digital book strategies, as well as the challenges and opportunities facing publishers and content providers of all sizes and business models, with an emphasis on the digital transformation.

Speakers at Digital Book World Conference + Expo include: CEOs and C-level executives responsible for developing their organizations' digital strategies, innovators who are bringing new ideas and new technologies to market, and path-making authors, agents, marketers and editors. These leaders will share best practices and wisdom from their personal experiences - what has worked and what hasn't - so attendees can avoid pitfalls and make wise strategic decisions.

Attendees of DBW include large and small book and ebook publishing businesses, book marketers, directors of international book sales and rights, editors of publishing houses and literary agents, digital strategists and content professionals, and managers of operations, finance, sales/marketing and technology within industry and allied organizations.

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