

Distribution of Electronic Books – Models and Practices

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Abstract

Over the past decade there has been an increasing interest in the publishing and purchase of e-books. There are different factors that contribute to the growing interest in educational literature in digital format. Publishers are faced with the choice between alternatives of the form and content and distribution. The difference in profitability, speed and accessibility of the distribution channels suggests that there is a need to rethink the management solutions from the past decades and to invest in new distribution channels.

Keywords: distribution channels, e-books, educational literature

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Introduction

Over the past decade there has been an increasing interest in the publishing and purchase of e-books. At the same time, however, printed publications continue to be wanted and demanded by consumers. Currently, part of the publishers have kept the publication and distribution of printed editions and offer a free e-book of the same title to the paper copy. This article focuses on the modern methods of distribution of educational and scientific literature, as well as on the advantages and disadvantages of the market models applied.

The study was carried out in the period between 21 January 2021 - 2 February 2021 and is based on the use of secondary data. For the purpose of the study, distribution practices for books in both English and Bulgarian language have been reviewed. The information was processed by analysis of the content and was categorised in the form of tables with justification for better illustration.

1. Specifics of the distribution of e-books

When we discuss distribution models for educational and scientific literature, there are several important characteristics that need to be distinguished. First, this is the specifics of the specialised literature market: specific demand, concentrated in certain areas, with marked cyclical nature, dynamics and predictability. Second, these are the variety of publishing methods, which also have impact on the distribution models used. Third, these are consumer preferences, which are a primary driver for the introduction of innovative models for content distribution. Fourth, but not least, these are the costs generated for the publication and distribution of educational and scientific literature and the possibilities for subsidies and external funding.

Over the past years there has been an increasing interest in the publishing and purchase of e-books on a global scale. According to Statista (2022), revenue in the e-books segment is projected to reach US\$13.62 billion in 2022. As seen on Table 1, significant revenues from the sale of e-books are also achieved in Bulgaria, which explains the publishers' interest in this format of educational and scientific literature.

Table 1. Revenues (in million EUR (€)) generated from sale of electronic books in Bulgaria over the period 2017-2022

	2017	2018	2019	2020	2021	2022
Total	7.79	8.08	8.42	8.24	8.59	7.80

Source: Statista

Market definition from Statista: An eBook or electronic book is the digital version of a book that can be read on a number of devices such as eReaders (e.g., Kindles), tablets, smartphones, and computers. eBooks include fiction, non-fiction, and textbooks/academic literature.

There are several factors that predetermine the specifics of the distribution of e-books, especially in the cases where publishers offer specialised educational literature:

1. Specific and limited audience
2. Shrinking consumption on the market (due to the presence of alternatives for non-market consumption)
3. Security in the distribution and reporting of sales revenues
4. Short life cycle of the predominant part of educational literature
5. The multitude of free sources of e-books and other educational materials accessible to the consumers, etc.
6. Growing sales of second hand educational literature and development of options to lease literature for a certain period of time (Graydon et al., 2011).

All these specifics of the e-books market are a prerequisite for the development of multiple channels of different type and functioning model. The global practice in the distribution of e-books (e-textbooks) can be divided based on several main characteristics (type of contact, payment and access). The possible alternatives are illustrated on Figure 1.

Channel type/sales form	Paid (owned forever or for a predefined period)	Free	Open access	Restricted access
Direct	x	x	x	x
Through agents	x	x	x	x

Figure 1. Main characteristics for classification of the e-books distribution channels

The decision about the type of model used depends on many factors, the most significant of which are: the resources of the publisher/establishment, the life cycle of the publisher/establishment, the solvency of potential consumers, the market potential and the target groups of consumers, the target revenue model, the consumers' willingness to pay for educational literature (CWP), the sources of funding for the editions, etc. Publishers' successful sales will increasingly rely on strategic partnerships (Bailey et al., 2014) for the creation and distribution of digital content.

There are publishers/establishments that can afford to develop their own e-book distribution channels with free distribution in the framework of open access. Usually, these publishers rely on a model of revenues from other related activities, such as advertisement, affiliate marketing, sponsorship, donations, etc. For all the others, the alternative is to use models of channels that generate revenues from the sale of e-books, which cover the operational costs and provide profit.

2. Models of direct and indirect e-book distribution channels

The study on the distribution practices showed a variety of models of channels which are used either individually or in different combinations. Table 2 presents the direct channels for e-books distribution that are applied on a global scale.

Table 2. Direct E-book Distribution Channels

E-book Distribution Channels (direct)	Specifics
Publisher's website	The website offers a description of the e-books and contains links to the places and method for purchasing or downloading copies of the

	<p>books.</p> <p>The print-on-demand model is also used, where the copy can be printed by the publisher based on a preliminary order.</p> <p>ELSEVIER, for instance, offer a free PNG version of textbooks, which may not be downloaded.</p>
Channels for institutional publishing and/or distribution	<p>The institutional publishing of textbooks focuses on the provision of paid or free textbooks meeting the needs of the institutional courses (mainly in universities).</p> <p>There are options to pay for them together with the tuition fee (Cuillier, McKenzie, 2017) in the form of inclusive access¹ or to order an e-copy (and/or a printed copy) based on a preliminary order for a price quoted in advance.</p> <p>Institutional platforms are also used to provide free access to content. According to some experts (Maier, 2020), university publishing houses will take over the publication of textbooks from the publishing companies in the future.</p>
Automated mailing	<p>In the cases where the publisher has a list of potential consumers to be used as a reference and can send information about new books published (paid and/or free) to them. Experts believe that if consumers buy textbooks directly from the publishers, the latter can take the distributors out from the process and develop a client database (Straumsheim, 2015).</p>
Direct channels with subscription	<p>Channels with subscription have been increasingly successful over the past decade. They effectively cover the target group with the possibility for accurate planning of the print runs and sales. Although paper copies are more popular in these types of channels, the model has been also successfully applied in e-books distribution. The model allows to accurately forecast demand and fund the publication.</p>

In addition to direct channels, the indirect channels presented in Table 3 have also been widely used. They are not just revenue-oriented, but also address the realisation of other positive effects from the distribution of e-books, such as:

- Improving the market scope and coverage;
- Improving the visibility of the instructors' work and their achievements;
- Improving the institution's recognition;
- Increasing the popularity and citing of the e-publications;
- Attracting associates and co-authors for future publications;
- Access to full statistics for a specific e-book, etc.

Indirect distribution has been traditionally applied in the field of book distribution. It has also been successfully applied on the online markets for the sale of both paper copies and literature in digital format. In addition to the specialised e-agents, other online content sellers have also been successful in this field. Their use undoubtedly brings additional revenue to the publishers and improves access to potential consumers. Furthermore, the conditions for competition are improved, which has a positive effect on the supply and demand of books. In addition, indirect distribution makes educational and scientific literature accessible through various points of sale and platforms.

¹ This model in the USA is based on the “2015 Department of Education Regulation, which enables institutions to include books and supplies in their tuition or fees”. See: <https://www.insidehighered.com/news/2017/11/07/inclusive-access-takes-model-college-textbook-sales> and <https://open.lib.umn.edu/affordablecontent/chapter/inclusive-access-who-what-when-where-how-and-why/>

Table 3. Indirect E-book Distribution Channels

E-book Distribution Channels	Specifics
Distribution through open access partnership platforms	Open access (OA) books can be provided in a number of formats. An OA copy constitutes a free digital copy of a book. Publishers have the practice of selling printed and electronic books together (with a free digital version).
Model based on Metadata	Provision of metadata to third parties (Marques, 2018), which can distribute, sell or host the electronic books online.
Textbook distribution platforms	There are various special online platforms for textbooks, which work based on different models, including by offering institutional or individual subscription. The purpose of some of them is to provide students with cheap options for textbooks of different publishers. The possibility for the platforms to specialise in a particular sphere is also an advantage.
Specialised e-book sale channels	The EPUB and Mobi (for Kindle) formats are sold online via book sellers, such as Amazon, and can be distributed to aggregators through distribution companies.
Digital content library supply chains	B2B channels for generation of revenues from sales for libraries, which cover both digital and paper copies.

The e-book distribution practices studied show that all of them are either used individually or in some configuration for the sale of educational and scientific literature. The predominant part of the channels used are formal, i.e. they operate in the context of signed contracts (primarily C2B2C, B2B and B2C).

Each of the channels presented has both advantages, as well as certain drawbacks. An attempt to categorise them is made in Table 4.

Table 4. Advantages and disadvantages of the different direct e-book distribution channels

E-book Distribution Channels	Advantages/Disadvantages
Publisher's website/platform	<p>Used by well-established publishers of scientific literature. The advantages are in the following possibilities:</p> <ul style="list-style-type: none"> • The content can be adapted to specific courses/disciplines. • Development and use of user databases. • “On-demand book”, where the book is first sold and printed later (a special technology is used). • Possibility to combine it with educational software, which allows better flexibility for meeting diverse educational needs. • Possibilities for periodical content update. • Greater control on revenues, etc. <p>The disadvantages include:</p> <ul style="list-style-type: none"> • Responsibilities with respect to the process administration. • Need of accounting services, etc.
Channels for institutional distribution	<p>The advantages are in the following possibilities:</p> <ul style="list-style-type: none"> • Guaranteeing revenues from sales, if the content is paid. • Ensuring satisfaction, if the content can be accessed free of charge.

	<ul style="list-style-type: none"> • Better planning of the revenues combined with a package of services, as well as the possibility for subscription. • Easier access to educational and scientific literature issued by internal publishers, etc. <p>The disadvantages of this channel are:</p> <ul style="list-style-type: none"> • Relatively high costs for administration. • Legal restrictions, if any. • Possibility that some users may refuse to pay for e-literature, etc.
Automated mailing	<p>The advantages this channel are:</p> <ul style="list-style-type: none"> • Precise targeting of the audiences. • Maintaining market-oriented communications. <p>The disadvantages of this channel are:</p> <ul style="list-style-type: none"> • Up-to-date primary list. • Legal restrictions with respect to email communications.
Direct channels with subscription	<p>The advantages this channel are:</p> <ul style="list-style-type: none"> • Possibility for funding future publications. • Test marketing. • Possibility for accurate planning. <p>The disadvantages of this channel are:</p> <ul style="list-style-type: none"> • Risks associated with the payment for a product before it is produced/supplied. • Legal restrictions with respect to subscription practices.

Indirect channels are traditionally considered more encompassing and more flexible with respect to the market and more prone to provide development of the publishers' potential. Library e-lending (Sisto, 2022) was in the focus of scientific research last year. The advantages and disadvantages of the indirect channels for distribution of educational and scientific literature are presented in Table 5.

Table 5. Advantages and disadvantages of the different indirect e-book distribution channels

E-book Distribution Channels	Advantages/Disadvantages
Open access distribution	Open access distribution does not bring revenue from sales directly, but can have a number of positive effects on the institutional image, the publisher's image, the dissemination of e-literature, increasing the citing of authors, etc.
Model based on Metadata	This is a relatively new model, however, its application would be beneficial for e-books in languages used by large communities and e-books of popular publishers which are recommended by instructors in many universities. The advantages include better access online, easy to find when searching, partial sale (by chapter), etc.
Textbook distribution platforms	Specialised textbook platforms have the following advantages: <ul style="list-style-type: none"> • Low prices for students. • Possibilities for subscription. • Access to thousands of textbooks.

	<ul style="list-style-type: none"> • They are actively sought by students. • Visible to the wider audience, etc. <p>The disadvantages are as follows:</p> <ul style="list-style-type: none"> • The price per sold book is low. • Lack of possibility for control on the sales and revenues. • Competition between the individual publishers is high, etc.
Specialised e-book sale channels	<p>Specialised e-book sale channels have the following advantages:</p> <ul style="list-style-type: none"> • Global coverage. • Easy to find when searching • Maintain multiple payment methods. <p>The disadvantages include:</p> <ul style="list-style-type: none"> • They are not very successful in the distribution of books in languages spoken by just a limited number of users. • They cannot cover a large number of students. • Limited control on sales. • The commissions can be significant, etc.
Library supply chains	<p>Library supply chains have the following advantages:</p> <ul style="list-style-type: none"> • Adequate institutional coverage; • Possibility for publicity of the books; • Inclusion in catalogues; • Inclusion in events, etc. <p>The disadvantages are as follows:</p> <ul style="list-style-type: none"> • They are not suitable for distribution of books in languages spoken by just a limited number of users. • Customers often rely on free inspection copies donated to libraries. • Risks associated with copyrights infringements.

3. E-book distribution in Bulgaria

E-book distribution channels in Bulgaria are not a lot more different than those in Western Europe and North America. Of course, there is a difference in the scales of distribution and the prices paid by consumers. The models for sale of e-books applied are summarized in Table 6.

Table 6. E-book distribution in Bulgaria

Channels	Characteristics and examples
Institutional channel for distribution (at university level)	In one of the universities in the country it is mentioned that the student tuition fee grants free access to textbooks (for remote learning students). Institutional libraries that provide free access to e-books for users for a paid institutional subscription.
Online bookstores for e-books and magazines. EPUB format with DRM protection (Digital Right Management)	These are primarily used for fiction, but one can also find scientific and educational literature.
Publishers with e-bookstores that sell their own publications and	Part of them also offer specialised literature. Some of the publishers offer payment for e-books through an sms. This model facilitates the revenue accounting process, because all

other publishers' books.	revenues are accumulated over a certain period of time and are transferred by the company acting as an intermediary of the mobile operators. The users receives information about the sum paid in the monthly invoice of their mobile operator.
E-library with paid public access	Paid access to the literature available is offered in the form of subscription.
E-book distribution channel in Google Play	The countries targeted for sales are defined. There is an option to select whether to apply digital rights management (DRM). Since Google does not require exclusive rights to sell digital copies of e-books, the content can be also offered via other sellers and channels. The sale of books in Google Play is not associated with any costs. Most of the revenues from each sale are paid and the respective share is determined based on the indicated sale price. This channel, however, cannot be considered very suitable for sale of educational literature.
Specialised agents/specialised e-platforms.	It provides online access to publications (electronic educational and scientific literature) published by organisations with publishing rights under the Copyright and Related Rights Act. Part of them also offer educational resources designed for pupils and students. The future lies in the dissemination of such types of platforms.

Regarding Bulgaria, it can be concluded again that a variety of e-book distribution channels are used and it is often relied on more than one channel. The main problems in the distribution of e-books in Bulgaria include:

- Limited number of readers in Bulgarian language, which reflects on the market potential;
- Likelihood of unsettled issues with copyrights before and after the sale and purchase;
- Low interest in reading educational literature;
- Low purchasing power of part of the consumers, which makes them seek alternative methods for access to educational content;
- Lack of possibility for an independent control on the sales of e-books through intermediaries and reporting them, etc.

4. Conclusion

In conclusion, it can be summarized that there are multiple channels and combination of channels which can be used for e-books distribution, however, few of them could be effective when seeking a solution for the sale of educational literature in Bulgarian language. Based on the advantages and disadvantages of the different alternatives and trends in sales, the following conclusions can be distinguished:

1. It would be suitable and effective to develop an institutional/publisher's channel for sale of e-books. The arguments supporting this model are as follows:
 - Independence from other parties.
 - Rapid publication.
 - Possibility to update the content over time.
 - Combining with a sale of a printed publication.
 - Possibility to use the “on-demand copy” model.
 - Possibility to use the “all included in the tuition fee” model, provided that there are no legal restrictions and acceptance among consumers.
 - Wide availability for students from other universities and schools.
 - Control on the revenues from sales.

- The entire price paid for the e-books is received by the institution, etc.

2. In parallel to the institutional channel, a channel making distribution to e-libraries possible may also be developed. No high revenues can be expected from this channel, however, it may bring other positive effects on the institutional and personal development.

However, the full transition to the publication of e-books is associated with certain risks and should be carefully considered. Most of the publishers publish both paper and electronic copies, which makes them more resilient and flexible on the market for educational literature. Of course, one should not forget the increased rate of growth of sales of audio books (Kozłowski, 2020), which will naturally affect their supply in the segment of consumers of educational literature.

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