CONTRA COSTA COUNTY LIBRARY COMMISSION
AGENDA ATTACHMENT 7

MEETING DATE: Thursday, May 24, 2012
AGENDA ITEM #: 12 A
ITEM: ELECTRONIC Books (e-books)

RECOMMENDED ACTION:
Commissioners will receive a presentation addressing concerns about e-books and have the opportunity for input.
ANTITRUST LAWSUIT

"Between Google, Amazon and Apple, these are all bullies. And they are going to do what they can to maintain what they can. They have gutted independents."

— Doris Moshowitz, owner of Moe's Books in Berkeley

Andy Perham, manager at Books Inc. in Berkeley, stocks books Thursday. Local booksellers are concerned that the Justice Department lawsuit filed against Apple and major publishers over pricing for e-books could hurt competition.
Salt in the wounds of local bookstores

Bay Area News Group • Saturday, April 14, 2012

Independent sellers ponder their fate as Amazon, Apple battle Justice Department

By Patrick May and Eve Mitchell

When the digital dust settles from the battle over e-book pricing between Amazon, Apple, publishers and the Justice Department, much of it will end up in the aisles of small independent bookstores like Green Apple Books in San Francisco.

"I'm not worried about this bookstore going out of business one or two years from now, but I wouldn't necessarily open a new bookstore today either," said owner Kevin Ryan. He says the federal antitrust lawsuit to stop Apple and major book publishers from keeping e-book prices high, and Amazon's subsequent vow to lower its prices, can't be good news for the mom-and-pop bookstores struggling to weather a sea change in the publishing business. "This impacts us directly for the first time," Ryan said, adding that until now he could sell e-books for the same price as Amazon, offering his customers both print and digital books as the latter continue to gain traction among readers. The recent developments threaten that, he said, "because for the first time ever, we can't offer our customers the same price they'd get at Amazon. Now we have nothing except loyalty to keep people coming in."

Bookstores were already an endangered species as their paper-loving clientele turned increasingly to reading books on digital devices like Amazon's Kindle, the Nook from Barnes & Noble and Apple's iPad.

Developments in a case against Apple and book publishers over e-book pricing


April 13: Apple denies charges and says the company has instead fostered innovation and competition by introducing its iBookstore in 2010. The company insists customers have benefited from e-books that are more interactive and engaging.

Source: The Associated Press

Books

Continued from Page 1

demise last year of the Borders chain provided a bit of relief, as sellers suddenly saw new faces in their stores. But lately, things have turned dark again, starting with Google's recent decision to stop selling e-books to privately owned bookstores like Books Inc. in Palo Alto, where manager Tanya Landsberger says about 10 percent of their sales are e-books sold through their website.

The lawsuit and Amazon price cuts complicate matters even more because a pedestrian checks her cellphone as she strolls past Books Inc.'s Berkeley location Thursday. Stores will be left with only print products and relatively expensive e-books, assuming they can find a new supplier to replace Google. Google "gave us eight months to figure out what to do," she said, "but at this point we don't know where our e-books will come from. And now the lawsuit is like adding salt to the wound."

Booksellers like Landsberger worry that the feds' decision to go after Apple and its publishing partners effectively clears the path for online retailer Amazon, which uses a different sales model, to monopolize the e-book space, driving customers to buy its Kindles, but eventually raising its prices without any competitive headwinds to dissuade them.

"If the DOJ wins, it will be an unmitigated disaster for the e-book industry and very probably for authors who will lose a big chunk of their royalties. Amazon will be the big winner and will use e-books as a loss leader to lure new customers," said Landon, executive director of the Northern California Independent Booksellers Association, said in an email Friday.

Doris Moskowitz, owner of Moe's Books in Berkeley, said the latest developments are simply more blows to the already battered and shrinking world of independent book vendors. Over the years,

she said, sales of e-books and e-commerce have hurt both the small bookstores and the overall commerce of printed books.

"Between Google, Amazon and Apple, these are all bullies. And they are going to do what they can to maintain what they can," said Moskowitz. "They have gutted independents."

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The rise of e-reading

21% of Americans have read an e-book. The increasing availability of e-content is prompting some to read more than in the past and to prefer buying books to borrowing them.

by Lee Rainie, Kathryn Zickuhr, Kristen Purcell, Mary Madden and Joanna Brenner

Summary of findings

One-fifth of American adults (21%) report that they have read an e-book in the past year, and this number increased following a gift-giving season that saw a spike in the ownership of both tablet computers and e-book reading devices such as the original Kindles and Nooks.¹ In mid-December 2011, 17% of American adults had reported they read an e-book in the previous year; by February, 2012, the share increased to 21%.

The rise of e-books in American culture is part of a larger story about a shift from printed to digital material. Using a broader definition of e-content in a survey ending in December 2011, some 43% of Americans age 16 and older say they have either read an e-book in the past year or have read other long-form content such as magazines, journals, and news articles in digital format on an e-book reader, tablet computer, regular computer, or cell phone.

Those who have taken the plunge into reading e-books stand out in almost every way from other kinds of readers. Foremost, they are relatively avid readers of books in all formats: 88% of those who read e-books in the past 12 months also read printed books.² Compared with other book readers, they read more books. They read more frequently for a host of reasons: for pleasure, for research, for current events, and for work or school. They are also more likely than others to have

http://libraries.pewinternet.org/2012/04/04/the-rise-of-e-reading/
bought their most recent book, rather than borrowed it, and they are more likely than others to say they prefer to purchase books in general, often starting their search online.

The growing popularity of e-books and the adoption of specialized e-book reading devices are documented in a series of new nationally representative surveys by the Pew Research Center’s Internet & American Life Project that look at the public’s general reading habits, their consumption of print books, e-books and audiobooks, and their attitudes about the changing ways that books are made available to the public.

Most of the findings in this report come from a survey of 2,986 Americans ages 16 and older, conducted on November 16-December 21, 2011, that extensively focused on the new terrain of e-reading and people’s habits and preferences. Other surveys were conducted between January 5-8 and January 12-15, 2012 to see the extent to which adoption of e-book reading devices (both tablets and e-readers) might have grown during the holiday gift-giving season and those growth figures are reported here. Finally, between January 20-February 19, 2012, we re-asked the questions about the incidence of book reading in the previous 12 months in order to see if there had been changes because the number of device owners had risen so sharply. All data cited in this report are from the November/December survey unless we specifically cite the subsequent surveys. This work was underwritten by a grant from the Bill & Melinda Gates Foundation.

**Key findings:**

**A fifth of American adults have read an e-book in the past year and the number of e-book readers grew after a major increase in ownership of e-book reading devices and tablet computers during the holiday gift-giving season.** A pre-holiday survey found that 17% of Americans age 18 and older had read an e-book in the previous 12 months and a post-holiday survey found that the number had grown to 21%. This coincides with significant increases in ownership of e-book reading devices and tablet computers over the holiday gift-giving season. Ownership of e-book readers like the original Kindle and Nook jumped from 10% in December to 19% in January and ownership of tablet computers such as iPads and Kindle Fires increased from 10% in mid-December to 19% in January. In all, 29% of Americans age 18 and older own at least one specialized device for e-book reading – either a tablet or an e-book reader.

**The average reader of e-books says she has read 24 books (the mean number) in the past 12 months, compared with an average of 15 books by a non-e-book consumer.** Some 78% of those ages 16 and older say they read a book in the past 12 months. Those readers report they have read an average (or mean number) of 17 books in the past year and 8 books as a median (midpoint) number.

Those who read e-books report they have read more books in all formats. They reported an average of 24 books in the previous 12 months and had a median of 13 books. Those who do not read e-books say they averaged 15 books in the previous year and the median was 6 books.

For device owners, those who own e-book readers also stand out. They say they have read an average of 24 books in the previous year (vs. 16 books by those who do not own that device). They report having read a median of 12 books (vs. 7 books by those who do not own the device).
Interestingly, there were not major differences between tablet owners and non-owners when it came to the volume of books they say they had read in the previous 12 months.

Overall, those who reported reading the most books in the past year include: women compared with men; whites compared with minorities; well-educated Americans compared with less-educated Americans; and those age 65 and older compared with younger age groups.

30% of those who read e-content say they now spend more time reading, and owners of tablets and e-book readers particularly stand out as reading more now. Some 41% of tablet owners and 35% of e-reading device owners said they are reading more since the advent of e-content. Fully 42% of readers of e-books said they are reading more now that long-form reading material is available in digital format. The longer people have owned an e-book reader or tablet, the more likely they are to say they are reading more: 41% of those who have owned either device for more than a year say they are reading more vs. 35% of those who have owned either device for less than six months who say they are reading more.

Men who own e-reading devices and e-content consumers under age 50 are particularly likely to say they are reading more.

The prevalence of e-book reading is markedly growing, but printed books still dominate the world of book readers. In our December 2011 survey, we found that 72% of American adults had read a printed book and 11% listened to an audiobook in the previous year, compared with the 17% of adults who had read an e-book.

- **There are four times more people reading e-books on a typical day now than was the case less than two years ago.** On any given day, 45% of book readers are reading a book in one format or another. And there has been a shift in the format being used by those who are reading on a typical day. In June 2010, 95% of those reading books "yesterday" were reading print books and 4% were reading e-books. In December 2011, 84% of the "yesterday" readers were reading print books and 15% were reading e-books.

- **Those who own e-book readers and tablets are avid readers of books in all formats.** On any given day, 49% of those who own e-book readers like the original Kindles and Nooks are reading an e-book. And 59% of those e-reader owners said they were reading a printed book. On any given day, 39% of tablet owners are reading an e-book and 64% were reading a printed book.

**E-book reading happens across an array of devices, including smartphones.** In our December survey we found that e-book readers age 16 and older were just as likely to have read an e-book on their computers as had read e-book reader devices specifically made for e-book consumption. Cell phones are reading devices, too:

- 42% of readers of e-books in the past 12 months said they consume their books on a computer
- 41% of readers of e-books consume their books on an e-book reader like original Kindles or Nooks
- 29% of readers of e-books consume their books on their cell phones
- 23% of readers of e-books consume their books on a tablet computer.
In a head-to-head competition, people prefer e-books to printed books when they want speedy access and portability, but print wins out when people are reading to children and sharing books with others. We asked a series of questions about format preferences among the 14% of Americans age 16 and up who in the past 12 months have read both printed books and e-books.

As a rule, dual-platform readers preferred e-books when they wanted to get a book quickly, when they were traveling or commuting, and when they were looking for a wide selection. However, print was strongly preferred over e-books when it came to reading to children and sharing books with others. When asked about reading books in bed, the verdict was split: 45% prefer reading e-books in bed, while 43% prefer print.

**Which is better for these purposes, a printed book or an e-book?**

% of those who have read both e-books and printed books in the last 12 months who say that this format is better for these purposes

![chart](chart)

Source: Pew Research Center’s Internet & American Life Reading Habits Survey, November 16–December 21, 2011. N=2,986 respondents age 16 and older. Interviews were conducted in English and Spanish and on landline and cell. N for those who have read both printed books and e-books in the past 12 months is 701.

**The availability of e-content is an issue to some.** Of the 43% of Americans who consumed e-books in the last year or have read other long-form content on digital devices, a majority say they find the e-content is available in the format they want. Yet 23% say they find the material they are seeking “only sometimes,” “hardly ever,” or never available in the format they want:

- 20% of e-content consumers say the material they want is always available in the format they want.
- 50% of e-content consumers say the material they want is available “most of the time.”
- 17% of e-content consumers say the material they want is available “only sometimes.”
- 3% of e-content consumers say the material they want is available “hardly ever.”
4% of e-content consumers say the material they want is **never available**.

**The majority of book readers prefer to buy rather than borrow.** A majority of print readers (54%) and readers of e-books (61%) prefer to purchase their own copies of these books. Meanwhile, most audiobook listeners prefer to borrow their audiobooks; just one in three audiobook listeners (32%) prefer to purchase audiobooks they want to listen to, while 61% prefer to borrow them. Those who own e-book reading devices and tablet computers are more likely than others to prefer to purchase.

As for the most recent book people read:

- 48% bought it. Owners of e-book readers and tablets were much more likely than others to have bought it.
- 24% borrowed it from family, friends, or co-workers.
- 14% borrowed it from a library.
- 13% got it from another source.4

For internet users who read e-books, online bookstores are the first stop. Asked where they start their search for an e-book they want to read, 75% of e-book readers start their search at an online bookstore or website. Some 12% start at the library.

**Overall, people read for a variety of reasons.** Americans cite a range of motives for their reading and it is often the case that people point to multiple reasons for reading. As a rule, technology users, and especially tablet owners and those who own e-book readers, are more likely than non-owners to read for every purpose.

- 80% of Americans age 16 and older say they read at least occasionally **for pleasure**. Some 36% read for pleasure every day or almost every day.
- 78% say they read at least occasionally **to keep up with current events**. People read most frequently for this reason: 50% say they do it daily or almost every day.
- 74% say they read at least occasionally in order to **do research on specific topics that interest them**. Some 24% read for this reason daily or almost every day.
- 56% say they read at least occasionally **for work or school**. Some 36% read for work or school daily or almost every day.

**Why people like to read.** Asked to tell us what they like most about book reading, those who had read a book in the past 12 months gave a host of reasons that ranged from the highly practical to the sublime.
• 26% of those who had read a book in the past 12 months said that what they enjoyed most was learning, gaining knowledge, and discovering information.
• 15% cited the pleasures of escaping reality, becoming immersed in another world, and the enjoyment they got from using their imaginations.
• 12% said they liked the entertainment value of reading, the drama of good stories, the suspense of watching a good plot unfold.
• 12% said they enjoyed relaxing while reading and having quiet time.
• 6% liked the variety of topics they could access via reading and how they could find books that particularly interested them.
• 4% said they enjoy finding spiritual enrichment through reading and expanding their worldview.
• 3% said they like being mentally challenged by books.
• 2% cited the physical properties of books – their feel and smell – as a primary pleasure.

**Demographics of e-book readers.** In our survey ending in February 2012, we found that 29% of adult book readers had read an e-book in the past 12 months. Overall, that comes to 21% of all adults. Those who read e-books are more likely to be under age 50, have some college education, and live in households earning more than $50,000.
Portrait of e-book readers - 29% of those who read books in the past year

The % of the book readers ages 18+ in each group who read an e-book in the past 12 months

* Asterisk denotes statistically significant difference with other rows

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Those who own e-book reading devices stand out from other book readers and there are sometimes differences among device owners in their reading habits.

Our December 2011 survey found that those age 16 and older who own tablets or e-book reading devices are more likely than others to read for every reason: for pleasure, for personal research, for current events, and for work or school.

- Some 89% of e-reading device owners say they read at least occasionally for pleasure, compared with 80% of all Americans 16 and older. Some 49% read for pleasure every day or almost every day (vs. 36% of all those 16 and older).
- Similarly, 89% of e-reading device owners say they read at least occasionally in order to do research on specific topics that interest them (vs. 74% of all those 16 and older). Some
36% read for this reason daily or almost every day, compared with 24% of the general population.

- Some 88% of e-reading device owners (vs. 78% of all those 16 and older) say they read at least occasionally to keep up with current events. People read most frequently for this reason: 64% say they do it daily or almost every day (vs. 50% of all 16 and older).
- Some 71% of e-reading device owners say they read for work or school (vs. 56% of all 16 and older); almost half (49%) do so daily (compared with 36%).

**Device owners read more often.** On any given day 56% of those who own e-book reading devices are reading a book, compared with 45% of the general book-reading public who are reading a book on a typical day. Some 63% of the e-book device owners who are reading on any given day are reading a printed book; 42% are reading an e-book; and 4% are listening to an audio book.

**Device owners are more likely to buy books.** Some 61% of e-reading device owners said they purchased the most recent book they read, compared with 48% of all readers. Another 15% said they had borrowed their most recent book from a friend or family member (vs. 24% of all readers), and 10% said they borrowed it from a library (vs. 14% of all readers).

Asked their preference for obtaining books in all formats, e-book reading device owners were more likely to say they prefer to purchase than to borrow books in any format – print, digital, or audio. In related fashion, they are also more likely to say they start their searches for e-books at online bookstores.

**Book recommendations.** Overall, owners of e-reading devices are more likely than all Americans 16 and older to get book recommendations from people they knew (81% vs. 64%) and bookstore staff (31% vs. 23%). In addition, compared with the general public, owners of e-reading devices who use the Internet are also more likely to get recommendations from online bookstores or other websites (56% vs. 34%).

http://libraries.pewinternet.org/2012/04/04/the-rise-of-e-reading/  
4/16/2012
Where do you get recommendations for reading material?

% of Americans age 16+, as of December 2011. For instance, 81% of e-reader and tablet owners say they get recommendations for reading material from family members, friends, and co-workers.

Source: Dec. 2011 results are from a survey of 2,986 people age 16 and older conducted November 16-December 21, 2011. N for number of those owning e-book reader or tablet=1,132. The survey was conducted in English and Spanish and on landline and cell phones. The margin of error is +/- 2 percentage points. N for the number of owners of either an e-book reader or a tablet device=1,132.

Other key findings:

- Amazon’s Kindle Fire, a new tablet computer introduced in late 2011, grew in market share from 5% of the market in mid-December to 14% of the tablet market in mid-January. This change also grew as the overall size of the tablet market roughly doubled.
- Among those who do not own tablet computers or e-book reading devices, the main reasons people say they do not own the devices are: 1) they don’t need or want one, 2) they can’t afford one, 3) they have enough digital devices already, or 4) they prefer printed books.

1. American adults age 18 and older, as of February 2012. *
2. Americans age 16 and older, as of December 2011. *
3. Many people said they consumed e-books on several devices, so these numbers add up to more than 100%. *
4. We did not press them for further details about those other sources. *