

Developments in Publishing: The Potential of Digital Publishing

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Abstract

This research aims to identify issues associated with the impact of digital technology on the publishing industry with a specific focus on aspects of the sustainability of existing business models in Australia. Based on the case studies, interviews and Australian-wide online surveys, the research presents a review of the traditional business models in book publishing for investigating their effectiveness in a digital environment. It speculates on how and what should be considered for constructing new business models in digital publishing.

Keywords: digital publishing; business models; print-on-demand; publishers; Australia

1 Introduction

This poster session emerges from an Australian Government funded digital publishing research project. The research looks at the impact of technology and market change on traditional publishing practices, and the increasing imperative to digital publishing. For our purposes digital publishing is defined as publishing dependent upon the World Wide Web as its communication channel, producing digital content based on either domestic or global platforms, published and distributed online, with provision for the establishment of digital database facilities for future re-use. The process allows for links to e-commerce, for example, facilitating online payment, with all procedures in the process digitised. Based on customer requirements, the product (information) can be produced and provided in various formats, such as online, web, TV, CD Rom and if necessary, paper (Liu and Rao, 2005). Additionally, Print-on-Demand (PoD) and Video-on-Demand (VoD) are elements of digital publishing. There is a general consensus that the digital publishing production and supply chain incorporates authors, publishers, technology providers, databases, web distributors and end-users.

The Australian publishing industry has maintained a significant presence within the manufacturing and distribution sector over many years (IBISWorld, 2006). Over the past decade the publishing industry has undergone tremendous changes, including publishing markets, an increase in digital content formats, changes to distribution channels and supply chains. At the same time, revenues from online business have grown dramatically in recent years. Statistics reveal that major players in the Australian publishing industry have increased their online business revenues by about 30% from 2001 to 2005 (IBISWorld, 2006). In the process, publishers have been forced to re-evaluate their resources and capabilities, design new business strategies and re-engineer their business processes to take advantage of the potential of rapidly developing technology. This has led to the development and emergence of new supply chains in the publishing industry, and a need for new business models (IBISWorld, 2006)

This research investigates the practical implications of digitization for book publishing in Australia, focusing on aspects of re-engineering existing business models to maximize benefits to both the company and their customer base. Although not for profit publishers are already utilizing the Open Access system, this does not feature as a major element in this research.

2 Project Progress and Initial Findings

At the time of writing, the researchers have completed a national online survey of Australian publishers and are progressing through a series of eight case studies. The indications so far are that the Australian publishing industry has adopted a somewhat conservative approach to the challenges and opportunities presented by digital publishing. The majority of publishers believe however, that in the foreseeable future, there could be major changes in the industry. As publishing businesses have varying objectives, the pace of change from traditional to digital publishing will also vary, depending on their market and client base, as well as on take-up of technology. It seems clear however, that any reluctance on the part of publishers to embrace technological and other changes could be detrimental to their future.

3 Major Research Focus: Business Models

The major thrust of the research has ultimately been towards identifying the implications of digitization and related organizational and market changes for business models in the publishing industry. Our survey results indicate that subscription-based and content creation models maintain popularity, frequently in the context of niche markets. Faced with different markets and strategies challenging, businesses need models that fit with their particular circumstances. Rather than have recourse to, in this project we adhered to Weill and Vitale's (2001) approach to business models. They define business models as a description of the roles and relationships among a firm's customers, allies and suppliers that identifies the major flows of product, information and money and the major benefits to participants (Weill and Vitale 2001). Our case studies provide validity to this definition. To surface our perceptions of business models, we will display several business models at this poster session seeking feedback from conference participants. Figure 1 is a constructive example of a potential future business model for a book publisher, drawn directly from our research.

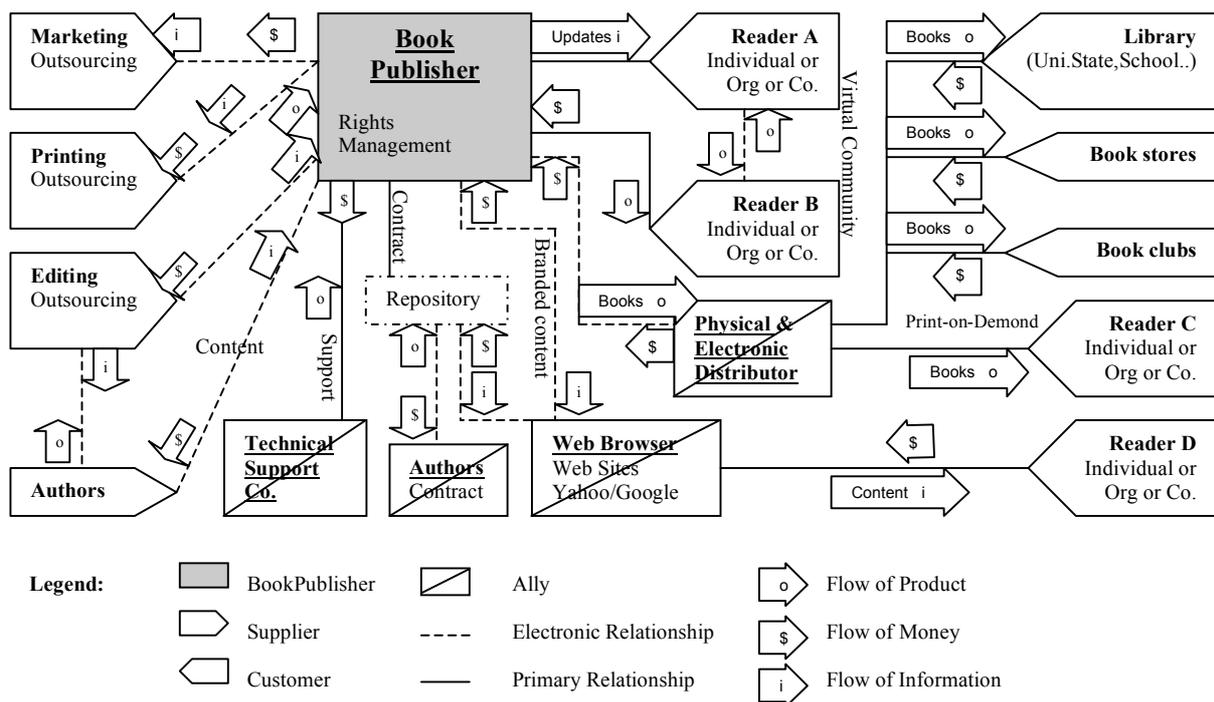


Figure 1: A constructive business model for a book publisher

4 Preliminary Conclusion

Although the research is being conducted in Australia, it has drawn widely in methodological terms from an international context. As such, it is likely that the findings, including those relating to alternative forms of business models, will be of wider relevance. Based on the models presented at this poster session we hope to add to our understanding and produce more refined models. At this stage preliminary conclusions are as follows:

- Currently book publishing models appear to be very familiar (i.e. largely traditional) with adding on digital elements.
- In 5 to 7 years time book publishing models could look vary different.

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