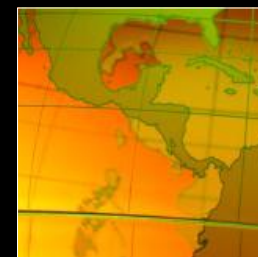


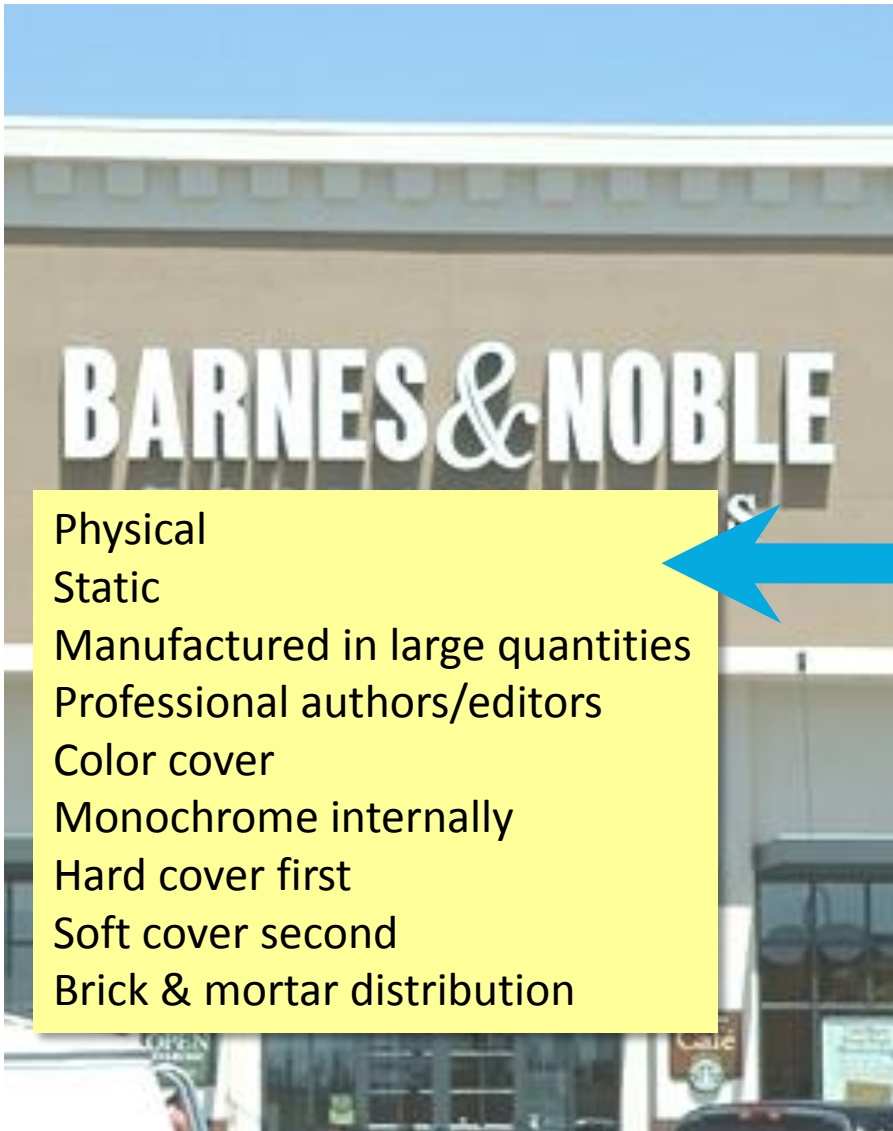
# The Book Market Evolves



# Topics

- **The Evolving Definition of the Book**
- **Market Drivers for Books on Demand**
- **The Digital Advantage**
- **Recommendations and Conclusions**

# The Evolving Definition of a Book



Physical  
Static  
Manufactured in large quantities  
Professional authors/editors  
Color cover  
Monochrome internally  
Hard cover first  
Soft cover second  
Brick & mortar distribution



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**Green Harbor Publications**

Founded in December of 2001, Green Harbor Publications is owned and operated by the 44th Bomb Group Roll of Honor. Green Harbor Publications is a leading publisher of digital content.

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**Web Site:** [www.greenharbor.com](http://www.greenharbor.com)

**Address:** 416 Webster Street  
Marshfield, Massachusetts 02050  
United States

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Personal content  
Multiple delivery methods



**The Writing 69th**  
Walter Cronkite beat the odds on February 26, 1945, assigned a risky mission: accompanying an 8th Air Force B-24 Liberator crew. Robert Perkins Post was shot down over Germany.

# Book Printing Definitions

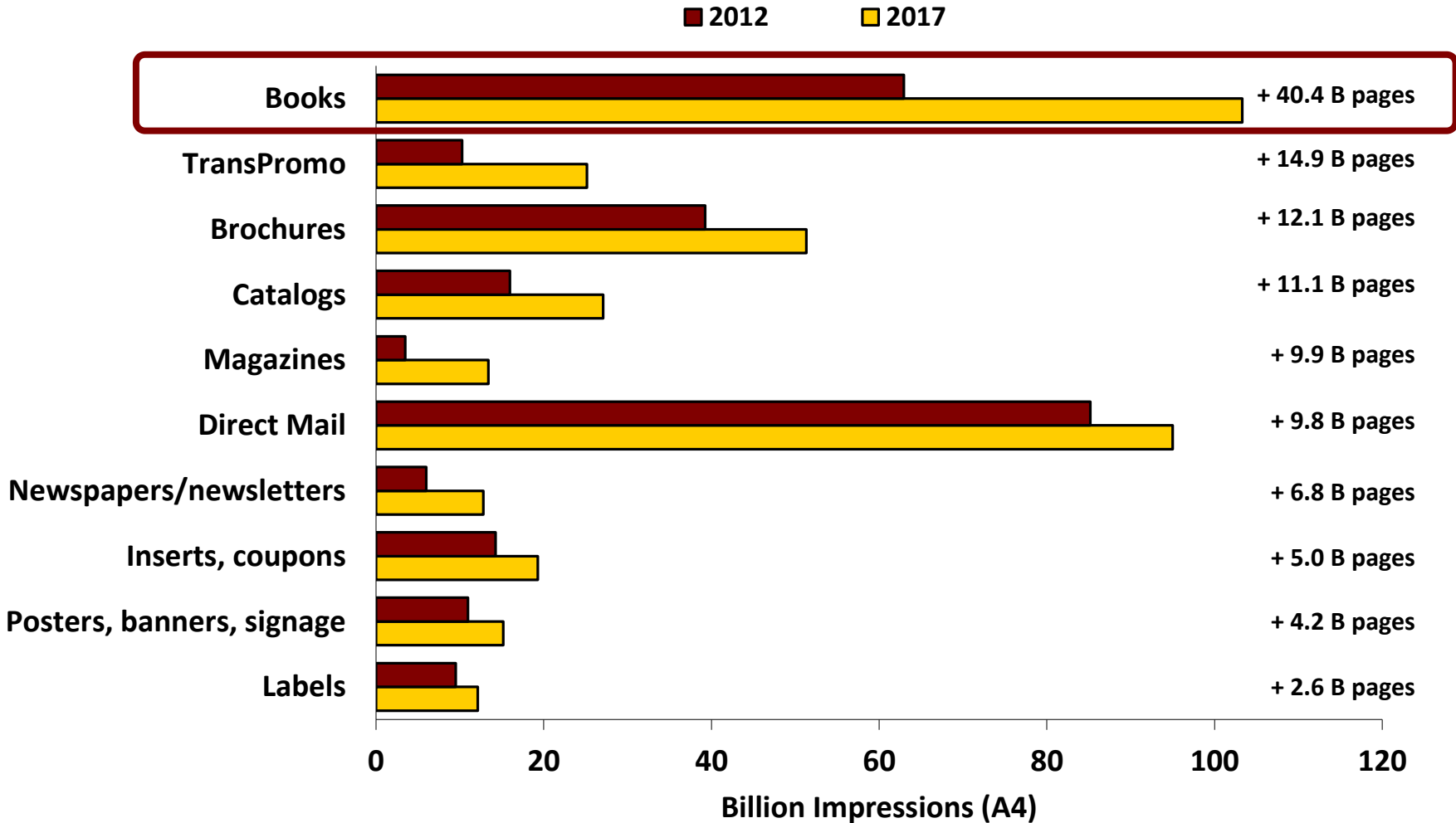
Long Run	Short Run	Print On Demand	Interactive
<ul style="list-style-type: none"> <li>• Generally more than 1,000 books</li> <li>• Print, warehouse, and fulfill</li> <li>• Typically offset printed</li> <li>• Production finishing techniques</li> </ul>	<ul style="list-style-type: none"> <li>• Generally less than 1,000 books</li> <li>• Print, warehouse, and fulfill</li> <li>• Possible with digital print and offset (depending on run length)</li> <li>• Shorter runs tend to be digitally printed</li> <li>• Order-taking and finishing must be well suited to smaller job sizes</li> </ul>	<ul style="list-style-type: none"> <li>• One-off printing</li> <li>• The book is not printed until an order is received</li> <li>• There is no physical inventory</li> <li>• Only feasible with highly automated digital print</li> <li>• Becoming more common; accounts for a growing segment of the market</li> </ul>	<ul style="list-style-type: none"> <li>• Connects the physical book to the digital world</li> <li>• Uses techniques such as QR codes and augmented reality</li> <li>• Books repurposed for mobile editions</li> </ul>

Run lengths are declining

Custom books  
Self-publishing  
Photo books

# Fastest-Growing Digital Print Applications (Billions of Pages)

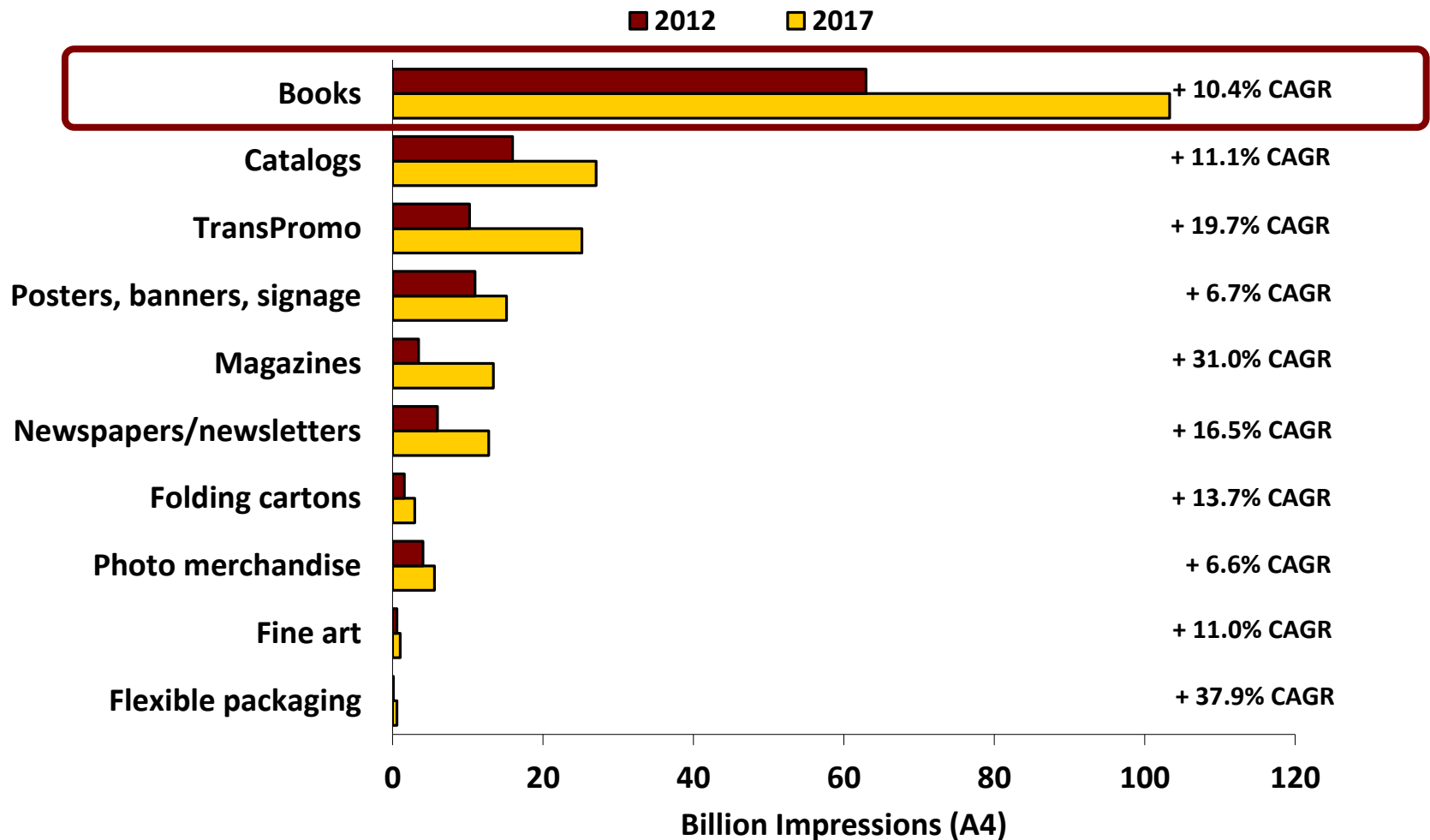
## Books: An Increase of More than 40 Billion Digital Pages



Source: U.S. Digital Production Printing Application Forecast, InfoTrends 2013

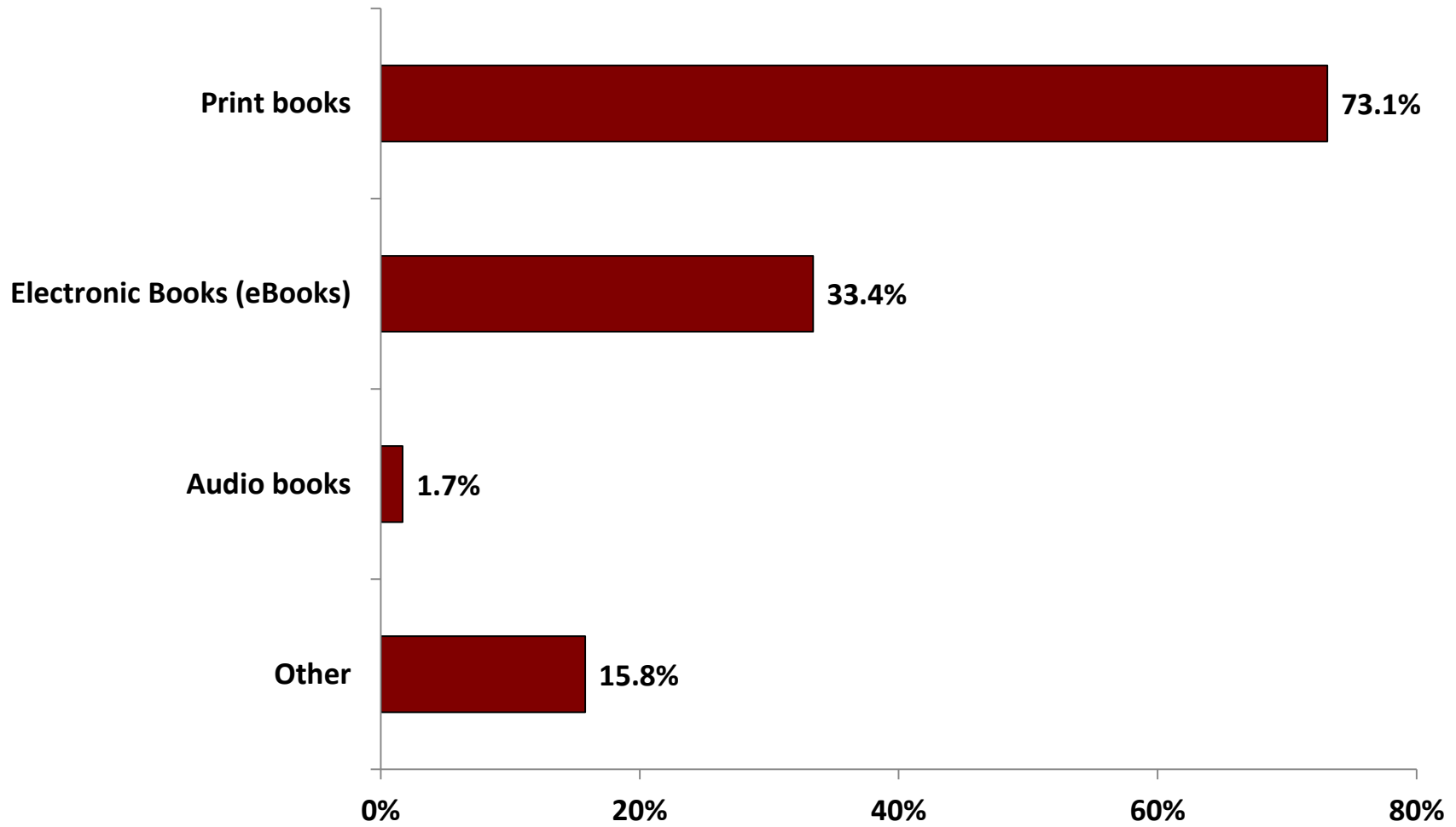
# Fastest-Growing Digital Print Applications (CAGR)

## Books on Demand Show a 10% CAGR



Source: U.S. Digital Production Printing Application Forecast, InfoTrends 2013

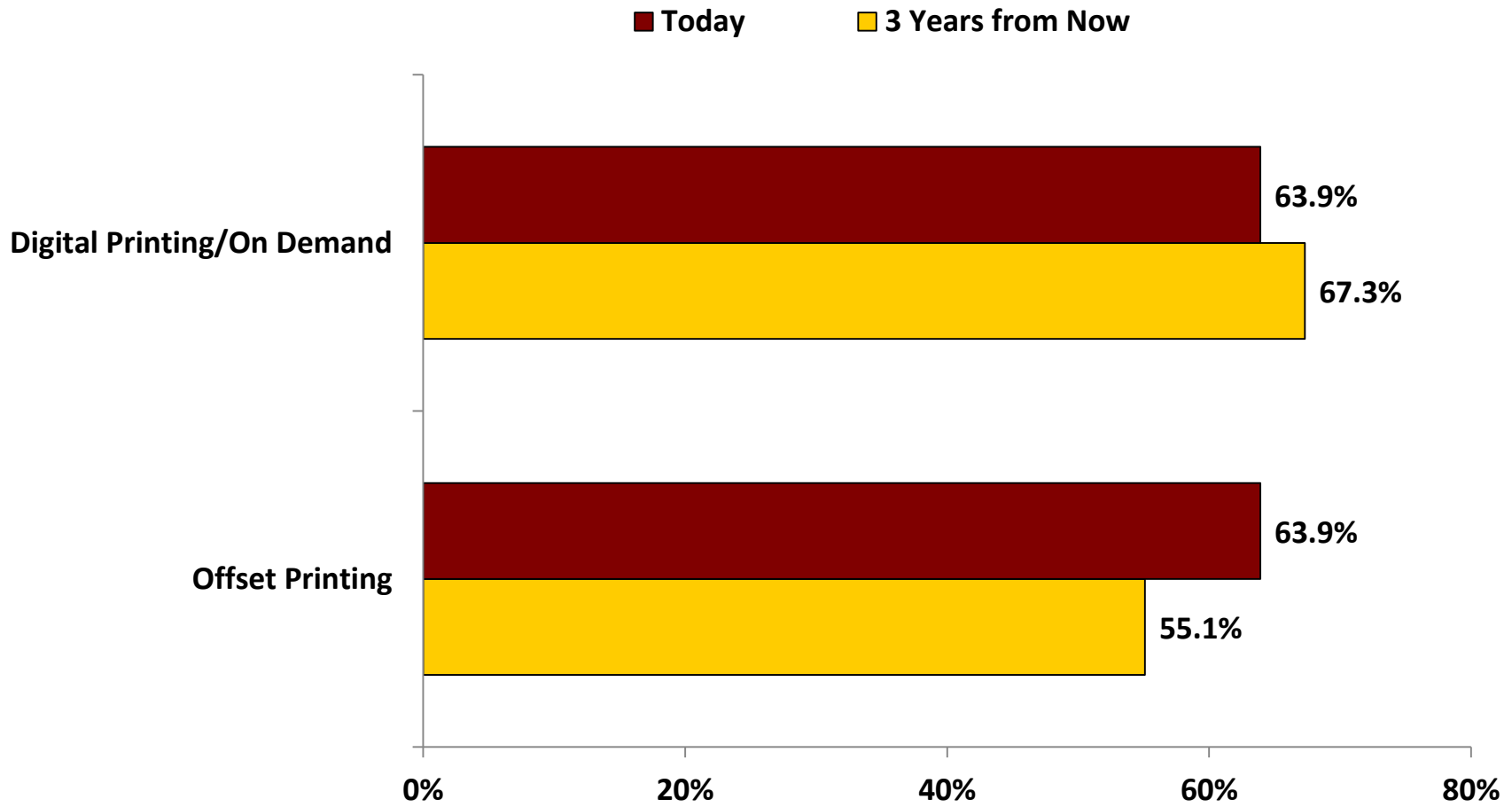
# Print Remains a Key Source of Revenue



N = 53 Book Publisher Respondents

Source: *Emerging Trends: Digital Media Adoption in Book Publishing*, InfoTrends 2013

# Digital Print Will Continue to Drive Book Profits



N = 53 Book Publisher Respondents

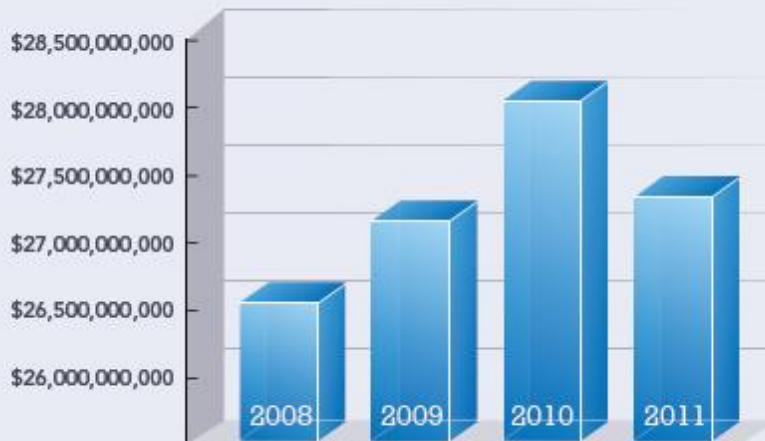
Source: *Emerging Trends: Digital Media Adoption in Book Publishing*, InfoTrends 2013



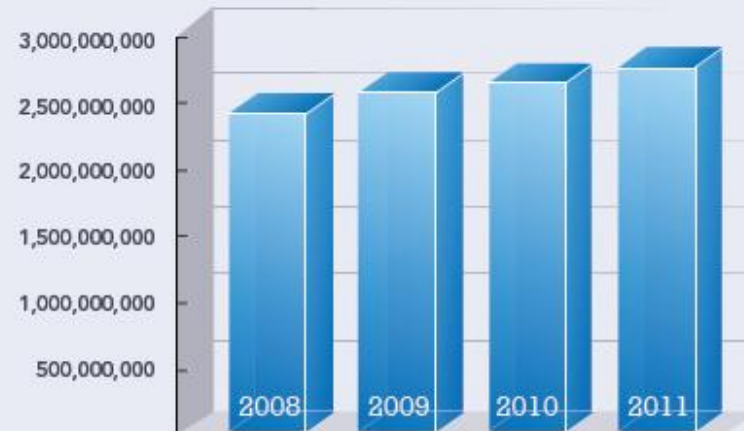
# Dollar Sales Down, Unit Sales Up

- The U.S. publishing industry dropped from \$27.9 billion in net revenues in 2010 to \$27.2 billion in 2011, a decline of -2.5%.
- Unit sales rose 3.4% to 2.77 billion, with the discrepancy due to higher sales of lower-priced e-books.

Overall Net Dollar Sales



Overall Net Unit Sales



Source: Bookstats 2012

# Dynamics, Challenges, and Uncertainties

## Apple iPad

News | Reviews | Downloads | Forums | Pictures | Videos



**Full review: Apple iPad (fourth-generation)**  
The latest iPad adds several tweaks and improvements to secure its position at the top of the tablet heap. It's better all around, but third-gen owners need not apply. [Read more »](#)



**Full review: Apple iPad Mini**  
If you want the full, polished Apple tablet experience in a smaller package, the iPad Mini is worth the premium price. Otherwise, good alternatives are available for less money. [Read more »](#)

**Marry**

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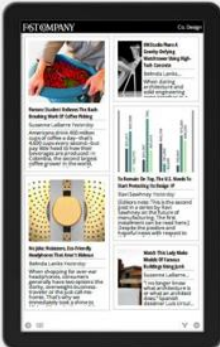
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Article template: Custom



## PUBLISHING EXECUTIVE

IS PRINT DEAD?



Special Report | Printers' Outlook | Evolution Inside The Revolution

# BOOK BUSINESS

amazon.com

## The Elephant In The Room

The e-tail giant is driving change... for better or worse.

# What Publishers Want and Your Value Proposition

- **Pre-production support for review copies, comps, and sales samples**
- **Risk reduction for inventory, warehousing, and returns**
- **Ability to bring reprints, backlists, and out-of-print editions back into circulation to generate new revenue streams**
- **Time-to-market**
- **Cycle time for on demand production**
- **Specialty and self-published books**
- **Bottom-line results**

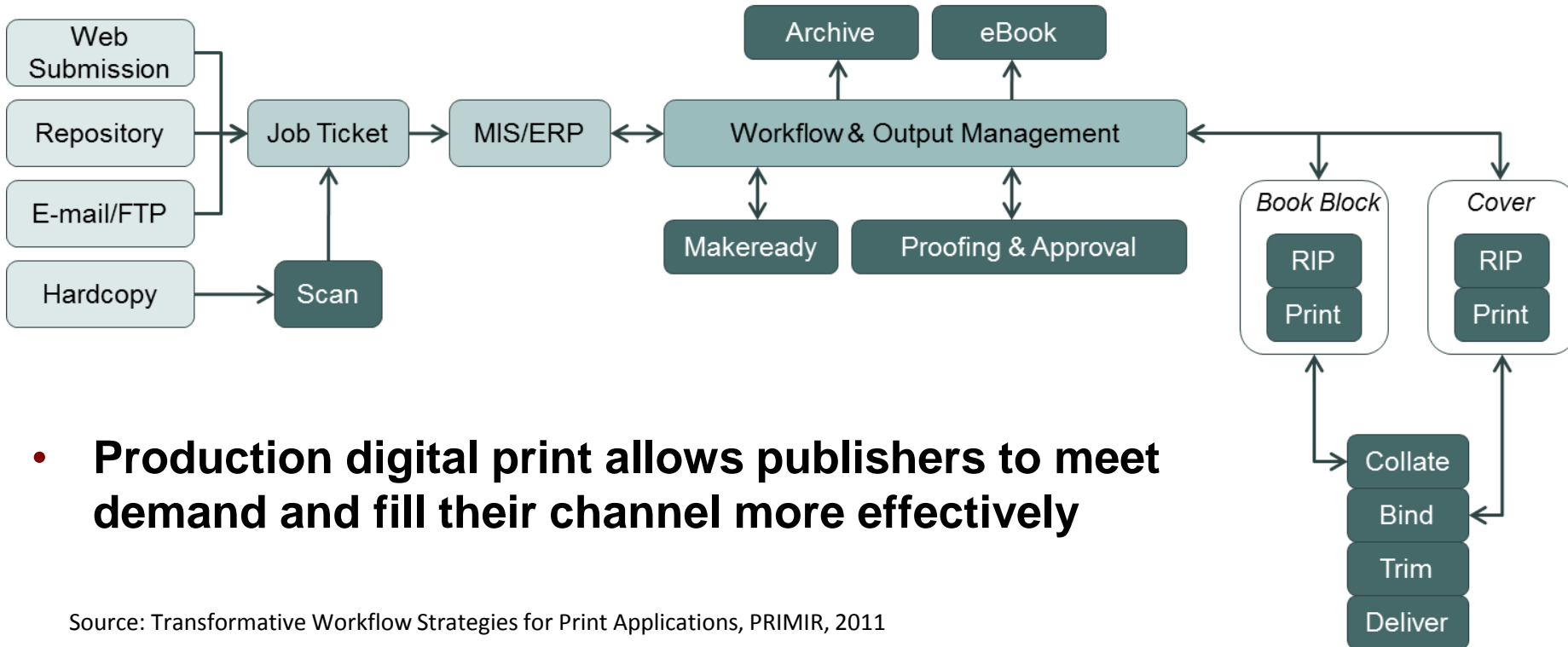
# Technology is Helping to Drive Growth

- **Content creation technology**
  - More sophisticated in their technologies
  - Easier to produce books
  - Lower production costs
  - Driving the self-publishing market
- **New printing and manufacturing technologies**
  - Reduced risk
  - Reduced inventory
  - Smaller press runs
  - Expanded backlist titles



Source: Bookstats American Association of Publishers and the Book Industry Study Group, August 2011

# Book Production Workflow



- **Production digital print allows publishers to meet demand and fill their channel more effectively**

Source: Transformative Workflow Strategies for Print Applications, PRIMIR, 2011

# From Warehousing to the Virtual Document Repository

- **Warehousing and distribution**
  - Publishers have historically looked to achieve low per-unit manufacturing costs by printing long runs
  - This creates the common “publisher’s dilemma”: If my forecast is off and I print too many books, I won’t be able to sell them
- **Production digital print methods allow distribution channels to be filled more effectively**
  - In shorter “just-in-time” runs or in true on-demand production where the book is not printed until it is sold
- **The digital printer becomes a virtual document warehouse**
  - Software products like PRISMA Book of One help manage this process efficiently



# The Digital Advantage

- **Electronic collation**
  - This is very important in book publishing for the in-line creation of book blocks that are ready for binding
- **Just-in-time manufacturing**
  - The ability to fulfill the publisher's supply chain as needed is a key advantage
- **Workflow automation**
  - One operator can typically operate a production color inkjet system, and depending on the finishing configuration, is able to handle tasks that are typically the responsibility of multiple operators in an offset environment (platemaking, press operation, and finishing)
  - Removing platemaking from the printing process has ecological benefits (no platemaking chemistry)

# Digital Workflow Impact

- **Offset Workflow**

- Imposition and signatures
- Folding, gathering, and stitching
- Offline processes are predominant

- **Digital Print Workflow**

- Electronic collation provides much greater flexibility
- Full book blocks can be delivered in an automated in-line process
- “Books of one” and personalization are possible
- Inkjet takes digital productivity to the next level, allowing large quantities of books to be produced cost-effectively



# Recommendations and Conclusions



# Conclusions (1)

- **With their high-volume and low running cost, production color inkjet systems are in a whole new space**
  - Way beyond prior toner-based digital methods
  - Competing head-to-head with offset
- **Key digital advantages include short runs, customization, just-in-time manufacturing, and workflow automation**
  - Offset cannot compete with these digital advantages
- **Inkjet is competitive at longer run lengths**
  - These are true virtual document factories that are capable of extremely high volumes

# Conclusions (2)

- **Find the cost sweet spot and exploit publishers' needs in the face of uncertainty**
  - Risk reduction
  - Ability to bring reprints, backlists, and out-of-print editions back into circulation to generate new revenue streams
  - Time-to-market
  - Cycle time for on demand production
  - Specialty and self-published books
  - Bottom-line results
- **Consider how to move from a traditional “print efficiency” model to a “business transformation” model**
  - Help customers move to a white-paper-in/full-color-document-out workflow that streamlines production and allows innovative use of data, images, and color
  - Give publishers greater flexibility than what is possible with offset printing (more personalized, more colorful, more relevant)

# Available Training Programs

- **Transactional Printing, Direct Mail, & Book Publishing**
  - Why Inkjet? Why Now?
  - Market Trends and Application Opportunities
  - Developing a Marketing Plan
  - Inkjet versus Offset
- **For more information:  
Contact your local sales representative or visit  
[www.mypressgo.com](http://www.mypressgo.com)**



# Any Questions?

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