

**Digital Developments Seminar Saturday 28th November 2009-
Children's Books Ireland
Tallaght County Library**

Keynote by Eoin Purcell

I am going to talk today about three words that are defining publishing at the moment and I think they are three important words and I am going to define them one by one just for a little tension. The first thing I want to talk about is digital change itself, which I think is completely reshaping the industry. That is why I have a picture of a glacier there because a glacier completely, totally and utterly alters the geography of the land it travels over it pushes the crust down, it reshapes valleys, it utterly transforms. So glaciers totally reshape geography and that is what digital publishing is doing to the industry. It is taking what is a pretty solid old model that has worked for a long time, very successfully for authors, publishers, and booksellers and its making something new and different that is a little bit scary for all of us whether you are an author, publisher, or bookseller. And I want to talk about that change and what it is doing to the industry. And I think when I talk about scariness, things like the end of borders for booksellers and for readers, is pretty scary. You know there have been a lot of articles recently declaiming the end of publishing in print, declaiming the end of publishers, talking about authors being affected by that change and its not just. This last headline here is to me not the key because it sounds like we are just experiencing a blow back from the credit crunch but actually there is a much more fundamental shift going on and I think the glacier image reinforces that.

So the first word I would really like to talk about is disintermediated. And to talk about what disintermediated is I want you to consider the traditional value chain the in book business, in the publishing business. You have got the author who writes the book, the agent who takes that work and delivers it to a publisher, and a publisher who applies capital and in most markets, but not all, a distributor between them and the bookseller, and then you have got the reader. And that is a pretty traditional model. And it works for a couple of reasons because it is applying competitive advantage. It works for production-orientated markets. So basically and author is the best placed person to write text because that is where they have their strength. That is where they are efficient and that is where they are capable. The agent is best placed to actually filter that content to the publisher. The publisher is the one with the capital and actually uses it effectively at a scale level, whereas an author cannot do that for themselves. And that is why the system works up to that stage. In a lot of cases actually, Irish publishers do their own sales so the distributor is maybe more slightly more of an international concept. But the distributor then handles the logistics and the transport of the books from warehouse to store and that is very sensible in a scale production model, which is based on shipping units to and from one place to another. That works best if you have a lot of books organized by computer databases shipping on pallets that all makes sense. And then the retailer is the one who aggravates what they know about readers likes and dislikes and tries in an old school print world to give the reader what they like or to try to sell as much as they can of the most profitable, one of those things whether the reader likes it or not as long as they think they like it that is good enough. That actually makes a lot of sense and it has worked for a long time and we should not dis that and I am not here to say that this is a bad model or that this is a model that we have to do away with necessarily. But what I am

saying is that in the new digital world that is changing. It is changing quite dramatically because theoretically this is what we could have, a situation where the author writes the text and delivers it straight to the reader. Which is pretty scary for everyone else in the middle, the intermediaries who have been disintermediated. It is not a very nice position to be in if all of a sudden your business model is gone. And it is a bit scary. For the authors it is great theoretically, except for the fact that this is now one hundred million blogs out there creating content on a daily basis so you are just one of a hundred million. There are no filters that are in anyway reliable. So I think while this may be the theoretical model, we need to look at what is enabling this model and where maybe publishers and booksellers and everybody else does actually have a role in this new model.

What is making this new change possible is digital delivery, the fact that you can take your content, deliver it anywhere in the world effectively free. There are some expenses in terms of hosting and in terms of actually transferring files from one place to another. But compared to the cost to actually printing a book, shipping a book, and selling a book; it's negligible, it's practically free.

“Digital reachability” I think is a phrase, what I mean by that is that people can actually find you anywhere in the world. If they type in your name and search you they will be able to find you anywhere, they will be able to get your content if you are able to deliver to them, free.

“Digital creation” I think, is actually one of the areas at the moment that is totally under explored. It is probably the most exciting part of this because I don't think any of us will know what we will be able to do in twenty years time online to create new content, to create new forms of media, to interact with readers, to interact with writers as readers, to interact with any part of the chain that we want to. But I think we will have to keep in mind the digital world and the web is actually enabling a lot of creation of a new style that we don't even begin to understand at the moment. But again, at the moment, it is pretty much video, text, pictures, and some combination of those in some fancy format.

And then there is “the cloud” because the cloud enables you not even to be there when your material is downloaded. You do not even have to store it on your site you can upload it to a google server and it will be able to move to any part of the world at any time while you sleep, which is pretty fantastic.

The main thing about this digital change and the thing we have to remember is that this is just part of a much bigger shift in society as a whole. And that is a shift that is engendered by cheaper technology. The technology, the cost of technology is dropping at a rapid rate. If you look at your, well actually I suppose I should ask this question, how many people have an ipod, iphone or a smart phone of some nature at in there hands at the moment or with them today. There is a smattering of representation. If you look at the ipods when they first came out and compared them to the ipod of today it's pretty clunky. Frankly it looks like a brick. And even if you do that comparison for mobile phones when they first arrived on the market and compare them to today you can see the progress in terms of storage capacity, in terms of power usage, in terms of computer capacity on those devices has absolutely moved in a phenomenally rapid way, upwards. And that means that the cost of technology is

reducing and that has affected every industry, it's not just publishing. And I think we can very often get caught up in the publishing industry with how badly treated with technology we are, but if you were a skilled laborer in a car factory in the sixties, then robots were digital to you now for a publisher. So it's not just us that have been affected by rapid technological change, but at the moment we are the ones who are experiencing it at the coal phase, we have just forgotten that others have experienced it too, and we need to realize that is it up to us to shape the future.

I think that this is one possible future. Which is multifaceted, multi-optioned, and multi-channeled. Basically it can go from author direct to reader, as we saw in that previous slide, that is still a possibility, and I am going to explore some ways in which that can happen. Or it could go as *Amazon* want, from the author, to *Amazon*, to the reader. And that is why they have launched programs like "Encore", and they have bought "print on demand" houses. They are really pushing to become as much of the chain, the valley chain, and as much of the money on that chain as they possibly can. I think as publishers we should not really be as terrified of *Google* as we should be of *Amazon* because they are our major competitors at the moment. As readers, you probably love *Amazon*, but I am going to suggest that there are other alternatives out there.

As an agent, I think you really need to think about your position and this is not really specifically referring to agents, but I think agents are a really interesting case. In my view agents are really well placed to become an intermediary between authors and readers, especially a trusted agent. Some agencies are starting to move in that direction in some ways. Especially in the U.S, some agents have created very very popular blogs and I am thinking Nathan Bransford at Curtis Brown, who has probably one of the most popular book related blogs on the internet at the moment and he is creating a personal brand that I believe in a couple years time will certainly put him in the position of being able to dictate and be a filter to readers directly. I think he is in a really interesting position and agents all are.

And then there is the bookseller. You might think a physical product isn't going to be the way forward and that booksellers are really screwed, but I am actually not convinced of that. This is not about destruction, really what this is about is where each person in the chain sees value for themselves and goes out of their way to create it because actually our future is in our own hands.

It is up to us to make sure that we deal with the second word, which is unstable. The publishing industry as a whole is completely unstable at the moment. It is not in a state of equilibrium and that is because we are living in a disintermediated world. That world is probably clear from that diagram that I had up there, that all that the potential channels that there are out there means that there is no new normal. So, that is to say, whereas that old value chain is very unidirectional, there was one way, you sold your book to an agent, they sold it to a publisher, there is no need to follow that model. That does not mean that you won't follow that model, I think that model will still be valid in some cases. But you are going to need to look at the other possibilities; selling direct to the consumer yourselves, or if you are a publisher, you are going to need to look at selling direct to the consumer in much bigger way than most publishers do at the moment. Interacting with them on a business-to-consumer basis, which is a completely different model for publishing than we have traditionally

had that is a business-to-business model. And frankly, as a publisher, I find that a little terrifying because consumers are a little troublesome. I know that from working in an off license where they were troublesome and drunk, which is not a good combination. So, I really want to get across the idea that there is no new normal and there certainly is no equilibrium. There are enormous opportunities and options out there and that everyone who is in a middleman role, who is in a capacity, which could be done by somebody else, is in trouble. You need to rethink your model. Life will never be the same again; you can't put the genie back in the bottle and say, actually "digital go away, I am not going to have you". As much as I like to say never bet against Rupert Murdoch, I think Rupert Murdoch on this occasion might be wrong, now I always say never bet against Rupert Murdoch because he is a powerful man, but him, at the moment he is trying to block *Google* and make money from *Google* and you can only try so hard with *Google*. This process is nothing that can be reversed, so you have to accept, and adapt, and live with it. That may not necessarily mean that you live with it in your current form. That may, especially for publishers, I think that will be a difficult thing to accept that our role as the traditional gatekeeper, the controller of the system is effectively gone. But, and I say this advisably, that does not mean we do not have a degree of power and we do not have things to offer the industry. But we do need to take into account that the previous position and preeminence of publishers, has defiantly changed.

The last point here, there are historical parallels, while the book industry has been around for a long time; it has not always had the same form. One of the forms I would like you to consider, as a possible aside to this, as a possible future model, is the model of patronage. This is more true of say high art, but in the past painters and composers were sponsored by rich patrons who would ensure that they had room and they had food and that they had somewhere to create their art. Especially in the renaissance period in Europe, this was particularly prevalent and in fact into the eighteenth, nineteenth century this was pretty prevalent before there was a mass consumer market for books. But, I think that this is the kind of model that could re-emerge. I do not know if anyone has here of Robin Sloan. Robin Sloan is a young writer from New York, but he is living in San Francisco. He used a website called "kickstarter", which is actually powered by *Amazon* services. And what he did was he put up a video and he said "I want to write a book and I'd like you to help me write it". A great video, really energetic, and he put up examples of his writing and he asked people to support him. He asked for as little as a dollar and as much as seventy-nine dollars, and he asked for three and a half thousand dollars and in over a day he had over three and a half thousand dollars. He gained in the end, in the period that the request was up, he gained thirteen and a half thousand dollars to support his first book and he had something like four hundred contributors to his campaign. Now he may be a freak, it may be that no one is going to be able to replicate that model, but I mean patronage does not necessarily mean rich person patronage, it could be crowd source patronage, where you bring in a lot of people, or it can be a model that is somehow a combination of the two. But I do think that patronage is an interesting one and we should think of the historical parallels and we should not assume that this is going to be a completely new model.

I think one of the things about this instability is that nobody is going to be able to predict the future. I love this quote from William Gibson, "The future is here, it is just not evenly distributed yet". And actually I think this is very relevant to our discussion

in Ireland today because if you are in America now, ebooks are actually an enormous issue as a trade publisher because their sales growth in ebooks is enormous. It is essentially like an upwards sloping curve at a rapid rate, from the IDPF, which is an acronym for the digital publishing federations, and essentially what it's showing growth in excess of 100% per quarter for ebooks in the last couple of years, which at some point, even if it is starting at a low base, is going to have an enormous impact on your bottom line. One way or the other, whether that is a positive or negative impact because your books are selling for less you might not be making as much even though you are selling more, that is not necessarily a good thing, it may be a bad thing; for a publisher that is, for an author it may not necessarily be so. Not everyone is equally impacted and that is really important, because in Ireland, as far as I am aware, I do not think any trade publisher has any significant ebook sales, they might have a bit, but no one I am aware of. There may be some digital sales through more academic type and more kind of technical and professional material, but there is not a lot in terms of Irish digital sales that anyone has made known to me.

Ebooks direct is pushing ebooks but they have no Irish content as yet. But I know a lot of Irish publishers are pushing to make their material through the Kindle store and in ebook format, which we will talk about a little later. But, what I think the problem with this is, and why I think it is important is that the different experiences of what is going on in the digital world are creating different views of what is going on. My opinion of what is happening with ebooks and digital change would be completely different if I am a trade publisher in Ireland and if I am a trade publisher in the U.S. because ebooks are actually a reality. And I would suggest, instead of the U.S. being a freak case or some kind of an aberration, they are actually a really good indication of where we are headed and we really need to start paying attention to what is going on there and start learning from their experiences or else we won't reach in time.

I want to get on this point about equilibrium. Because everything is unstable and because nobody is happy with the way things are going we are pretty much in a situation where everyone thinks they can be top dog; they can take the bigger chunk of the market, they can be the one that fills the void between the author and the reader, they can take over the publisher's space, they can take over the booksellers space. I think the biggest example of that is what *Amazon* is trying to do, its ambitions are simply incredible. I think somewhere in Jeff Bezos' mind is a scary master plan to rule the world. I know we concentrate a lot on *Google* in the publishing industry, and we do need to pay attention to what they are doing, but *Amazon* is a bigger threat for publishers, not for writers necessarily, but for booksellers as well they are a pretty big threat. Two thirds of who we are trying to talk to today really need to think about *Amazon*. So there is this enormous rivalry and the rules just are not clear because the reality is we don't know where we are going. So it is leading to a whole lot of these skirmishes and battles over whose format is going to be the winning format and is wifi better to deliver this product rather than 3G wireless or whose ereader is going to be the one who wins out, and whose platform is going to be the platform that wins, and whose storefront is going to be the one that wins. I think they are very interesting to keep an eye out, but effectively that is a lot of noise. What we really need to think about is the people who are thinking strategically, long term, and planning in terms of campaigns. We are talking about people like *Google*, we are talking about News International, and all other big international publishers, we are talking about Amazon, and even publishers. There are some trade publishers out there who are actually

thinking about this in really effective ways and thinking about it strategically and maybe there not your local rivals, but in the future localness is not going to be important for delivering content. So you really need to think about how you are going to rival an international publisher who has the best digital offering because we already have to face them on the ground day by day because if you are an Irish trade publisher, there are obviously trade publishers from international houses here and they are doing a fine job as well so competition is going to become even more intense and keener. An authors, there are a couple of authors out there who have really looked at this strategically and have decided on their root forward. If you are a publisher you need to take that into account. You need to consider what am I going to do as a publisher? How am I going to accommodate this change in the author's position in the mix? And if you are an author you are going to have to think about what the publisher can do for you, what you can do for yourself and what this changed market is going to look like in the future. I think the reason most of all that it is unstable is because we just don't fully understand the consequences; we really don't know where this is going to end. We have vague suspicions. We have the feeling that it is coming towards a certain position. Fifty years ago we thought there were going to be flying cars. Now there aren't flying cars but there are a lot of amazing things that we never envisioned fifty years ago. Nobody actually knows where we are going, so we are only really pushing towards kind of a dark place. I think we need to think about digital and think about where its going and we need to realize that we might make mistakes, but the concept of the ebook might well look like a horseless carriage looks, it's a bit ridiculous to call a car a horseless carriage because the horse is not really relevant. Why do we measure the power of a car in the power of horsepower? Or the train was the iron horse. These things which are slightly humorous to us now to think about, but that was the only way that people had of conceptualizing the change that was occurring in their environment. We really need to be conscious that we are dealing with a future that we don't understand with a very limited contextual capacity. It might be something we don't begin to understand, it might be the matrix. I think the key point here, the one I want to get across is that the final vision, the final shape, the way the industry is going to be is actually totally up for grabs. Nobody is in the losing position right now, somebody might be disadvantaged that they have not thought about this properly or that they have not given this due consideration. But the reality is that it is not stable, it is not in an equilibrium, and it may never be in an equilibrium again. We may not reach a point where the publishing industry has a stable equilibrium. I do not know if that is scary cause it is kind of interesting to me but slightly terrifying as well.

But I think this is an important thing to remember. This is the third word, opportunities. There are endless opportunities out there for everybody on the value chain to position themselves to take advantage of this market because it is not stable, because it is not in an equilibrium and everybody has been disintermediated, except maybe the author. I want to start with what the author's and look at some of the things that authors can do, in this kind of unstable environment. I think these are some of the things that authors can do to actually change the current situation. The primary thing about the digital space is that it enables you to connect with an audience. You can create and own a space on the web in a way that you could not do on a national level in print without a lot of work. I want to look at the creating issue because I really do think we are underplaying it at the moment and there is a lot of space in there. I also want to look at sign which is kind of that direct-to-consumer model that I talked to for

authors. First thing I want to do is talk about connecting with an audience. I want to talk about Gary Vangerchuck. Now I don't like Gary Vangerchuck, In fact I think he is a bit of a crass, loud mouthed individual. And many of you don't know who Gary Vangerchuck is. Gary Vangerchuck was a blogger and a wine store owner in New Jersey. Two years ago, he set up a blog, he called it winelibrarytv.com, and he started uploading videos of himself talking about wine. It's a pretty basic thing to do. But he was so passionate, he was so engaged, he was so refreshing that he actually created an enormous following. Some of his videos have been watched by several million people. To me that is incredible that a guy who is talking about wine has a million people watching him on youtube.com. But the amazing thing about Gary Vangerchuck is that he started to build an enormous platform for himself and he started to talk about slightly different things than just wine. He started to talk about how he made his business happen, how he ran his business, what were his motivating factors, what really got him up in the morning and why he was doing sixteen hour days working in the wine business and then coming and making a video and putting a blog post up. I am not under any illusions of how easy this is. If authors are going to do this they are going to work their asses off to make it happen. But this year, Gary Vangerchuck signed a deal with Harpers Studio, a ten-book deal for a million dollars. He also gets to share the profits of the book fifty-fifty with Harpers studio, which is Harpers Studio's new model where they pay you a low or no advance in which you get fifty percent of the profits after production costs which is kind of exciting. They have also tried to kill returns which returns are the biggest hate of publishers and most authors when they find out that those healthy looking sales at the start of the quarter turned around quite nastily when the bookshops returned half their books. I think Gary Vangerchuck is a really great example of how to connect to an audience. Don't follow him as the only example cause there are lots out there, but I think he has been the most successful recently at creating an engagement with the audience and then taking that somewhere else. He has actually created, a pretty traditional publishing deal for himself in this model.

There are other people who have done none traditional things but I want to talk first about Jeff Jarvis and *What Would Google Do?* And talk about how you can create a space for yourself that is different from everybody else. The only person talking about What would *Google* do is Jeff Jarvis. Now it is not a great enlightened concept, it is not amazing. Jeff Jarvis is a media blogger, he knows the media space, he knows a lot about traditional media. He set up a blog called buzzmachine.com and he found out there are not a lot of people talking about the media business online in a really open way. He started talking about it and he decided that his biggest competitor in the news business was Google. And if he wanted to compete with his biggest competitor, he needed a book called what would *Google* do in this situation. So he started talking about what would Google do. If you search what would *Google* do, you will find Jeff Jarvis, he owns that space. There is nobody else out there who owns that space, you cannot compete with it, it would take over five years to compete with Jeff Jarvis and in that five years he would still be writing about what would Google do. He has created that market, he has created that space, and he is the only one who can control it. For all the talk about the democracy of the web, if someone gets there first, gets there with a clear strategy and creates a brand, it is going to be next near impossible to overcome that space. I think for authors that is really important that is really important, especially for non-fiction authors, and fiction authors too. If you have a specific piece of content or if you write about a niche area, you can own that space,

just like Jeff Jarvis owns the space of what would *Google* do and *Google* being one of the largest companies in the world at the moment that is a pretty big niche to occupy and a pretty lucrative one too. His book has sold out in the U.S. and when it comes over here it is bound to do well too.

I want to talk about creating. And I don't necessarily agree with the content of this one here, this is called "This is why your fat: Why dreams become heart attacks", which funny enough is actually a Harper Studio book too. What I want to talk about here is the ease with which someone with a good idea can actually execute it on the web. "This is why you are fat" is a book that came from a blog, and it is not just a regular blog, it is a tumble blog. A tumble blog if you know anything about it is a micro blogging tool. It is a light weight blogging platform that enables you to very easily put up pictures and add a caption and that is literally all they did. They had an idea and they followed it. The stuff they put up is insane like chocolate covered pizza, triple bacon cheeseburger, covered in cheese, wrapped in bacon, deep fried, you know actually heart attack food and that is all it is. It is ludicrous, its popcorn, but it really got massive traffic because it was a clean idea, it was a good idea. The web is so good at creating simple ideas like this, so good at being a platform for very simple, clearly constructed ideas that they were successful. One thing I want to make clear when I say this, there were probably a thousand people who started a tumble blog the same day that "This is why you are fat started", maybe ten thousand. The probably all had a great idea, but the look and the random factors that helped "This is why you are fat" are random factors that we cannot control for. As an author, you may have a wonderful idea and the web is going to make it easy for you to execute, but that doesn't guarantee success. I put this up as an example, I really want to be clear that there is a random element you have to account for, just doing it is not necessarily going to guarantee success. Doing it and doing it well, and being persistent and being dogged like Gary Vangerchuck, and being clear and concise and on message like Jeff Jarvis, might make it more likely to succeed and for you to become a Harpers Studio author or a Random House author or a Penguin author, or and O'Brien Press author, but it won't guarantee it. I think you have to remember that as an author the web is not necessarily going to deliver something, look does go into it.

Another blog there, I still don't like it but it's much better written cause they actually write it, "Stuff White People like" took all the stereotypes of upper middle class and wealthy Americans and mocked them unmercifully, written by an upper middle class white American from New York, who pretended he was not. But, he got a deal out of it and again there could have been a million blogs created that day that were just as sassy and just as fun but this is a really well put together concept and it was executed really well. While what we have here is really a traditional text creation and the previous was a image creation, I really do think we are getting to the space where some more interesting developments is going to happen. One of the more interesting things I have started to see is people using online identity, which is obviously not clear, so people can pretend to be different characters, and using that to actually interact online as a character; posting posts as a character. But they are only a start, only the tip of the iceberg of where we are going with creation and I really think we need to look at this space and as authors you really need to think about what is possible on the web because you can do this and do it well. But maybe there is something else out there that has not been done or maybe there is another way of doing what has been done that can achieve results for you.

These two examples to me exemplify selling online direct to your customer. I will start with *Getting Real*, *Getting Real* is a book published by 37signals. 37signals is a software company based in Chicago, they make products like “Basecamp”, “Backpack”, and “Highrise”. In the process of creating their business over a period of years they came up with these series of nuggets of wisdom. They were writing a blog at the time and said “hey, why don’t we gather all the really great material we have at the time about creating a software business, how to run a business, and how to get inspiration and motivation and put it into a book, we will make it into a PDF, make it look pretty, why don’t we sell it”. They sold three hundred thousand copies of the PDF at nineteen dollars. It is remarkable, there is no author in the world that has that kind of download success. What they then did was say “why don’t we put it on print-on-demand paperback and sell that portion of it too?” which they did, which is now available through lulu.com who are a print on demand supplier. They have sold quite a number of copies that way. But then, they put it online for free, so they now have it available free online, in the paperback, and in the PDF download and they are still selling the paperback and the PDF download and people are still buying it even though they can read it for free online. They have created this enormous audience, they are selling phenomenal numbers of books, frankly if I were selling three hundred thousand copies at nineteen dollars a pop, I would sit back and do nothing most of the time, take it easy. But it is a really impressive example how as authors, if you connect directly with you audience, you can sell directly to them. In the future there is going to be more examples of this. It does not necessarily have to be unknown authors, there is a very real danger of established authors moving away from publishers because they realized they can make more money selling direct to the consumer. Actually Steven Or who is a renowned business writer, who wrote *Seven Habits of Highly Effective People* has actually started his own self publishing imprint where he is publishing quick guides and quick strategy guides on the web and print-on-demand format to customers. It is a pretty enormous author for traditional publishing to lose. As a publisher you need to be thinking about that, but as an author you need to be thinking about your potential to do that as well because it is certainly very lucrative.

Dan McGirt is a very interesting example because he was a successful science fiction writer, fantasy writer probably more accurate than science fiction, but in the eighties and nineties he sold quite a lot of books, but in recent years sales have dropped with his traditional publishers, they have moved onto different authors, they are not interested in working with him, he is not interested in working with them and he said “alright I will take my rights back”. So he took his writes back and he put the first of the series, *Hero Wanted*, a series about Jason Cosmo who is a hero. He put it on smashwords.com and put it online for free, then he started selling print-on-demand copies through *Amazon* and he is now the 11th most popular book on smashwords.com for free and he is selling enormous amounts of copies through his website. He was a traditional published author, he decided to change, he looked at it, he made the move, he gave away something for free, but he had the strategy. If there is anything I would stress about this for everybody, authors, booksellers, and publishers, is if you are going to give something away for free, know why the hell you are doing it. Why are you giving something away for free? What is the purpose? And what are you hoping to achieve? People think that giving stuff away for free is the only way to achieve something online, but frankly, I don’t agree because we are not going to have an industry is we start giving everything away for free. Secondly, if you are going to give

something away for free you need to really think about why you are doing it. There is a very good example of people who did that coming up when we talk about publishers.

First I want to talk about booksellers. Unfortunately our panel does not have a bookseller today, I know there are some ex-booksellers here today who might disagree with some of the thing I am saying, it would be nice to get some feedback. Booksellers are taking on new roles. I think they are using communication tools to build a customer base and they are selling as well, which is obviously important. I think smashwords.com is a bookseller, but it looks like something different because it has taken on different roles. Smashwords.com is an ebook publisher, and ebook publishing platform, but it is a bookseller primarily; it is giving away the ebook publishing platform as a way to get people publishing books, which it can then sell through its market place. It only started about a year and a half ago. I remember because Mark Coker, who runs the company, called me in Cork and asked if I would like a run through of his system as a download. We did a run through and I was underwhelmed as a run through, I could not see what he was trying to do here, I missed it. He has now signed deals with Amazon to distribute books that are published through smashwords on the Kindle, he has a deal with Barnes and Nobles in the U.S. so that they will sell books directly through their website and directly through their “Nook” device when it comes out, and he has done deals with Short Covers, which is Indigos in Canada’s ebook offering. Effectively what he has done is inserted himself into the value chain between he reader and the author, but he has done it by providing a service for free, which is the ebook creation service. It has been very impressive, and I wish him all the best because I actually think he sat down and as a bookseller he though what can I do to provide a service to authors that will actually make me valuable and enable me to actually collect some rent on that. It is very impressive example.

But in terms of building customer base and engaging, Raven Books in Blackrock is incredible. Raven Books is on twitter, they have a blog, they engage directly about individual titles with potential customers. They talk to them about what they like, but it is a really exciting way. It is a tiny bookshop if you have ever been in there, it is really small, but its presence on the web is completely outsized compared to the size of the bookshop. Compared to Easons offerings, and I am not dissing Easons because I like Easons as a bookstore, but they have a Twitter feed that is a little bit generic; it is a bit cooperate, it is a bit focused on this is what Easons is doing today. Whereas Raven Books is much more engaged, much more focused on “lets talk about books in a more general way”. I have seen Raven Books sell books on Twitter, someone said “I am looking for this book” and Raven Books said, “I might have a few copies coming in next week, should I let you know if they do?” Then they will say “actually that book came in” and the person says, “I’ll come by next week and buy it”. That is real practical examples of taking a decision to be engaged in the book community online and selling that way. I think it is not a hard sell, it is a soft sell and it’s really impressive I think from a bookshop.

The other thing I want to look at is the Big Green Bookshop, from London. The two people who set up the Big Green Bookshop use to work in a Waterstone store that closed down and there area then was without a bookshop. They had a collective, realizing they were losing their jobs, and got together and said, “actually, this place

needs a bookshop, lets be that bookshop". But instead of setting up that bookshop and marketing that bookshop they started at the very beginning and reached out to the community through a blog. They gave pictures of what they were doing; they invited their Facebook friends, who they did not even know but who said they would like to join this bookshop society, to come and help them organize the bookshop, to paint the bookshop, to carpet the bookshop, to put a new sign in the bookshop. Everybody who got involved was engaged in a real way and was much more likely to go and actually buy books in this place. Just recently they announced, what I think is a fantastic venture for an independent bookshop, which is they announced a partnership with Gallic Books, who are a UK company that translate French popular titles into English and sell them. They are now Gallic Bookshop. All Gallic books are there and they have a day devoted to them. I think that is another area bookshops can make a change. They need to engage with their customer base in a really honest way, because if they don't *Amazon* is just going to eat their lunch, if not *Amazon* it might be somebody else.

That somebody else might just be the bookdepository.com. If you don't know the bookdepository as an Irish book buyer, you really should because they do delivered pricing and delivered pricing is the single biggest factor in buying a book because the last thing I want to do is click a book and then be told that there is three more euro going on top for postage. I mean that is the most annoying thing in the world and Amazon is particularly bad because the seller decides the rate that you are paying, they could be making more money off the postage than the book especially if they are selling the book really cheap. What I like about the bookdepository is that it, in the same way that Raven Books and the Big Green Bookshop engage with their customers, they engage; they have a blog, they have discussions, they really try through Twitter to engage with people and they sell and it is a soft focus sell, but the site is really slick. It has been redeveloped recently by Karen Smith who use to run Book Rabbit, which was a really interesting company, which went out of business last year, but it was an interesting company and one that I think had a lot to offer the web. It used pictures to help people create social networks around books; a fascinating idea. They are selling, and they are selling an awful lot of books.

I want to finish and I want to finish on publishers. Just like booksellers they are going to have to take on new roles. We need to use the web to sell in a more engaging way. I think Tor.com is literally the most impressive example. I say that because I am a complete science fiction and fantasy freak. Tor.com to me, what they are effectively is a community of science fiction and fantasy readers and fans. What they have done is collected stories from enormous writers like Harry Turtledove; who is a huge writer in science fiction and fantasy, he is incredible. They people like John Scozy who is an up and coming science fiction writer who write stories and they give them away for free. The trick is they only give something away for free in return for an email address and engagement. They are giving something away for free because they are inviting people into this conversation. They are pushing to be the place where people go to read and talk about science fiction on the web and it's working; they are really generating a lot of traffic. And then, I think this is the genius part, they have this store, which they only launched recently, they were up and running for a year before they launched this store. The store is actually a multi-publisher store so they have science fiction and fantasy from every publisher that is willing to provide them with books. Tor.com is actually an imprint or Macmillan in the U.S., so it is not as if they don't

have a publisher association, they do, but they are doing it in a way that allows for everybody to get involved. They are not being exclusive; they do not say our books are going to be the only ones that sell here. They are also selective, so they are not selling every single science fiction and fantasy book, they are only selling the books they like, they are only selling the books they think their audience will enjoy. They are taking on totally different roles, they are becoming community organizers, who thought publishing companies were going to be community organizers? But Tor.com is a community organizer; it's a community activist. It's a proponent and an educator in a way. A lot of people come to Tor.com and they don't know anything about science fiction and Tor.com has to teach them about what science fiction is; "here are the classics of science fiction, you should probably read them if you like science fiction". Imagine if someone was to do that, an example is readysteadyread, it is a UK blog, they have a similar function, but I don't know if they would conceptualize themselves as a community at the moment, which they may need to.

Selling, there is actually an enormous opportunity in ebooks; that is phenomenal. The release of *The Lost Symbol*, by Dan Brown, by Random House, their ebook revenue grew by four hundred percent effectively by Dan Brown. When popular authors go into a digital format, people buy them. Maybe that was a fluke, but I really think there is an enormous opportunity for publishers of all sizes to get in on this space because devices are proliferating. It is not just the "Kindle", it is not just the Sony "Ereader", it is not just the Barnes and Nobles "Nook" when it comes out, it is every single smart telephone you have. It is every single ipod touch and iphone; there is something like thirty million ipod touches out there and sixty million iphones, so at the end of the year Apple has over a million different screens where you can give content, sell content, read content, create content. That is frankly amazing. Considering how small the Irish market is, particularly as an Irish publisher, we should really be looking at engaging with that space. There have been two billion downloads with the itunes app store, and if we can't sell a few books with that two million, then there is probably something wrong with us and we probably don't deserve to survive cause at the end of the day no one is guaranteed survival.

I love this slide and it is my final one. I am not telling you that all of this will work for you; I am not telling you that this is the way it is. I am telling you that the market is disintermediated; we may have not realized it here because it is taking a little bit longer, because we don't have the same circumstances as America. But, it is, because of that it is completely unstable and going to fast. It is completely unstable and we need to take that into account and react and take the opportunities that are there. They may not be the opportunities you choose to take, but I think you need to look at the opportunities, to think about it strategically, and to act with focus and passion and really honestly, because if you don't, if you are an author, or a bookseller, or a publisher you are going to fail and failing is shit. I am sorry to use that word but it really is not good, I have lost quite a few things in my life and I know I preferred I had won.

I only want you to think about these things and I am happy to talk about any of the things we have talked about. I hope this lights the ideas in your mind of what you can do because there really are really practical, simple, and easy to achieve things you can do. The whole focus on this seminar should be for you to look at simple, practical,

easy to achieve steps based on a really sound strategy, because without strategy, in a world without security, I really don't think you are going to go anywhere.

Questions

Ivan O'Brien

Pretty much all that you said there presupposed that people wanted to make money, but an awful lot of people who write don't do it to make money they do it to write.

Eoin's response

I think the people who are saying that aren't really telling the truth, I think they don't expect to make money and that is a different thing from not wanting to make money. I think everybody wants to make money from their art, whether they acknowledged it or not. One of the things about being an artist is creating is very exciting and interesting, but at the same time it does not feed you. I think we need to create a way that artists get rewarded because at the moment the system is so in flux I think there is a real danger that artists don't make any money and I think in the long term that is ultimately bad for society. If artists can't survive with whatever system we create whether that is patronage or paid directly from a consumer, then there will be no art, no one will create art because they won't be able to. In a world where there is actually no payment there is no art and I can't tolerate that because I like creative stuff and I like a creative world. I do pre-suppose that somebody wants to make money and I recognize maybe that the people themselves have not acknowledged that they want to make money but maybe they should.

Audience

Well how do you fit fan fiction into all of that?

Eoin's response

Fan fiction, I think they want to be writers, they like writing in a safe comfortable environment. Fan fiction is great, it is a great way to learn to write, it is a great way to engage with authors to talk about writing and learn the skills of writing and then to move on and write your own stuff. There is nothing to say you cannot make money out of fan fiction.

Audience

But most do it for the feedback, to get their ideas out there and to get their version of the characters.

Eoin

Yes, but that is a way to learn your trade. I think you are right, that initial stuff is to get feedback and improve themselves, but ultimately, why are they doing that? To become a writer to make money.

Audience

It's the fame.

Eoin

With the fame comes the money, maybe I am being a bit harsh saying everyone wants to make money.

Ivan

I think you are saying, if you gave these people the opportunity to make money they would take it.

Eoin

I think mostly there is an ulterior motive to fan fiction. Ultimately it is “I want to get my ideas out there, I want to impose my ideas on these characters” is motivated by something, a feeling that I have a creative drive that needs to be fulfilled. And if that is to be sustained than effectively as some point, while they may not put it in these terms, they are thinking that at some stage if want to become a fulltime writer I need to monetize in some way. When they think, “I how am I going to pay this bills this month”, this is what they are thinking.

Audience

I am wondering about the techniques and the actual process of creating blogs, can you recommend a website and a book that will actually take you through some steps?

Eoin

There are two sites on the web that everyone should play around with and decided which is easiest for them. I love wordpress, because I find it very simple but its probably a little less user friendly at the very first stages. The other is blogger.com or blogspot.com. There are others, which are really simple, the likes of posterous and tumbler

Audience

I lost my job and wrote a book called I lost my job and I don't know what to do and in the first 24 hours I have 4,000 downloads in an unstructured way similar to what you are talking about.

Sam

In relation to the Dan Brown book, of course 4,000 people downloaded that book for free in 24 hours, 100,000 people downloaded Dan Brown's book “for free” in the first 48 hours. That is a fear for publishers. That could be causing a lack of engagement.

Eoin

There is no question that there are issues. I am not a fan of the extension of copyright for eternity, but at the same time I am completely against piracy, it undermines everybody, it undermines the author, it undermines the publisher, it undermines the bookseller. There has defiantly has to be a way to combating piracy more effectively than we have at the moment because clearly for some of these big titles it's a huge problem. But that does not take away the fact that there is an enormous opportunity. With great power there is great responsibility, with great opportunity comes great danger as well. I think it is two sides of the same coin.

Sam

I understand that, but that is not what I am saying, it's why there is a lack of engagement.

Eoin

I would actually say I have experienced this lack of engagement. I was in, just before the Frankfurt book fair, O'Reily, who are a technology publisher in the U.S., and ran a conference called "Tools of Changes in Publishing" which is about these kind of issues for publisher. But O'Reily had a particularly anti-digital right management, which are the tools you use to protect your content from piracy and they don't always work, often they don't work at all. But they have a very anti-drm, they don't like it, they think giving stuff away for free is a good concept, or at least allowing some piracy is a good concept. So the trade publishers who were there like Random House and Macmillan were actually really unhappy at the atmosphere at Tools of Change, they felt that piracy is underplayed. I do think that piracy is a big issue because it does undermine the proper function of a market and is something we should be worried about.

David Maybury

In relation to piracy, I think it something every industry is going to have to deal with but how you engage with pirates online, you are not going be able to stop it not matter what you do, it's how you engage with them. Some of the film distributing companies in Asia, where piracy is predominant in software and film particularly, they released a copy of the film, exclusively to pirates, six months in advance of the actual release, so long as they play only this version and it starts with a twenty second ad from the makers saying this will be out in six months, it was given to you in advance. (Social drm, says Eoin). It is a way of doing it because there is very little people can do, you can slap fines and block websites through ISPs, but again there is always going to be turant sites, there is always going to be ways around it.

Eoin

I should mention something that is going to end quite strongly on piracy in Ireland is that the UK is passing rights on digital management and piracy and there are some pretty stringent laws in that.

Sam

The Eurpoean has just voted it down on Friday.

Eoin

It is a tricky space. While I say there are aspects of copyright that go to far, specifically the extension of the length of copyright, which at this stage is the life of the author plus seventy years, seems like a very long time. And if Disney had its way, at least for Mickey Mouse, it would be forever: effectively the "Disney law". But piracy I think is a different issue and it needs to be separated. I do see it as a danger for artists because I do see it as Ivan pointed out, the whole purpose is to make money. In the words of Gordon Gekko, "Greed is good". That is not a very popular opinion at the moment, but the fundamental motive to survive and be rewarded for your work is a good one. And that is probably a good point to leave it.

Thank you.