

Why digital reading is here to stay

Dear reader, you might be reading this on your phone. And that's not all. At some point today you will also most likely be shopping, gossiping, checking on the nanny, playing your music, finding your way in a new city, ranting about politics, sending pics of your dinner to your mom, watching cricket – all on your phone. Study after study shows, India's use of data, smartphones and internet is growing at a pace second only to China.

A few years ago, I said to myself, if people are going to live on the phone and read on the phone (news, Facebook tirades, WhatsApp forwards, magazine articles), then they will sooner or later move to reading books on the phone. That's when we started our publishing company Juggernaut Books – a company that produces books as you know, and also has its own app where it creates stories of varying lengths at low prices and also allows amateur authors to upload their own work. Now this doesn't mean the physical book is dead or dying. We have an extremely successful physical books business which we will be growing in the next few years. In fact, you could argue the opposite.

No way are people going to read a book on the phone because 1. A book is too long 2. No one will do serious reading on the phone 3. People love the smell of paper and are romantic about the book 4. International data on ebooks shows that sales have plateaued or are falling in the West (West in this case is shorthand for English-speaking countries in Europe and North America).

In India ebook sales haven't grown much at all and we use an anecdotal figure for Amazon ebook sales in the country – about two per cent of physical sales. Amazon doesn't release its numbers so this is an unverified number but it should give you a sense of how small the market is currently.

So why are we so bullish about phone reading?

The first is our original premise. We don't believe books will be the only exception to the way the world is moving, especially with a generation of young people who have grown up on the phone. But that's just our gut. We can also easily out-argue points 1-3. So can most of you.

So let's get to number 4. Last year Quartz published a fascinating article on how online self-published writers were making more income than they ever had done before. The article showed through a report released by the site Author Earnings that even as publishers in the USA reported that their ebook sales had plateaued or slightly fallen, ebook sales of self-published writers in America had risen.

The problem that faces publishers is that the price of the ebook challenges their current business model. This battle for the price of a book is the heart of the tensions between publishers and Amazon. Amazon is arguably the world's most customer-centred company driven to give people products easily, quickly and at the least cost possible.

This often pits them against producers of the goods who have a different view about the value of what they are producing. In the case of the ebook market, which it almost singlehandedly created, Amazon initially sold its ebooks at a lower price than what they paid the publisher so they could help create a new market.

Now in their current agreement with publishers, Amazon can no longer control the pricing on ebooks. And what the article sug-

gests is that the online reader, has, as a result, simply moved from traditional publishers to self-published ones.

To create a new market, you usually have to create a new pricing. The digital content consumer is also used to lower or no prices – a fact that all online content companies are struggling with. In India for example, a popular music app like Wynk, Hotstar the country's top OTT app (which has a freemium model), and almost every major newspaper serves their material for free.

Self-published writers are usually flexible about pricing, giving large chunks for free to hook a reader, often even offering a prequel or appendix material gratis. It's no bad thing that publishers have stood firm on pricing. But it's also meant that they've created a wall around themselves.

To develop a new habit, you also have to experiment with the form – which you can best do by owning your platform and talking and selling directly to your readers. Look at Netflix, or Amazon – and you see how the world of content and distribution are merging.

There are now a few extraordinary successful online reading platforms which are creating stories in a completely new way and which have massive readerships, proving that a digital reader for fiction exists.

Wattpad – a space for amateur writers to upload their writing and get comments – has over 60 million users each month according to its website. Then there's our hero, China Publishing, owned by Tencent, which has over 170 million active readers who read long, serialised books over many chapters which they pay for in small amounts.

Yet it's interesting that none of the big five publishers have decided to play in this arena. They've occasionally dipped their toes, it hasn't worked and they've retreated. When our CEO joined us a few months ago, she made a call to the China office of a big publisher and found them completely indifferent to the China Publishing phenomenon despite their staggering numbers.

Our own view is that as long as publishers feel Amazon defines the e-reading space, the major publishers won't really, truly experiment with it. Owning a platform would also mean publishing exclusive content on it, which leads to potential conflict with retailers, of which Amazon is the most important one.

Thus almost every digital experiment we see among most publishers is a half-hearted one. To summarise – publishers have ceded digital reading to 'non traditional' players because of their complex relationship with Amazon.

This may go into explaining why ebook numbers have fallen for publishers in the West. But that still doesn't wholly explain our optimism. Juggernaut made far more revenue on its physical list than its digital list. So why are we still in the game? One is growth. This year our monthly active base has grown a 100 per cent – we launched in April 2016, and we're not taking our first six month figures which would make that jump even larger. And we've seen this growth and our numbers on a minuscule marketing budget.

The second is India's limited retail. Our digital marketing agency identified that we have a sizable number of readers in the north-east – an English-speaking audience that isn't served by bookshops. It proved one of our hypotheses before we launched – that there is a young audience who would be open to snappy, lower-priced stories on their phone in a country where book retail is broken. A consumer survey that we commissioned has also said that the younger reader who moves to digital never returns to physical.

But most importantly it's because of the possibilities of how we can reach out to our readers and the ways in which we can sell a story to them and talk to them. We know for example that Juggernaut readers read fairly late into the night leading us to create a special insomnia carousel on our home page.

We can publish a small biography of Yogi Adityanath two days after he became chief minister. And we now have a growing base of registered users which will touch half a million by the next six months.

In a country where no one reads book reviews, where books are barely discussed on TV or radio, where there isn't a single genuinely impactful book prize, this can give us enormous power.

We've become better publishers because we've gone digital. We hope others will join us.



Chiki Sarkar
Publisher, Juggernaut Books