

A Winning Digital Strategy for Publishers



..... *The LibreDigital Warehouse*SM

If you've been in the publishing industry since the advent of the internet age, you've struggled to define and implement a digital strategy for your publishing organization. As with most modern businesses, there is a virtual tidal wave of technological change that is affecting the industry, in both trade and academic segments. CEOs and VPs of IT are often on the front line of evaluating those technological shifts. And none has proven more vexing than digitization—rights management, digital distribution, metadata and content management, to name just a few.

If you are like most publishers, you've already "wet your feet" in going digital. You most certainly will have taken advantage of digital strategies to reduce production costs. You are likely to have followed booksellers like Amazon and B&N as they create new markets and digital supply chains. But many still find the **big picture** elusive. Big picture questions include:

- What is the next step in my digital strategy?
- How can I open up my backlist and frontlist to partners and 3rd parties while keeping the controls I need to protect my authors and assets?
- What digital infrastructure will give me maximum agility?
- Which publishing vendors will look after my company's long-term interests?
- How can I use a digital strategy to monetize our assets and improve our bottom line?

LibreDigital was founded to work with publishers to resolve those questions and more. As a division of NewsStand™, the digital arm of more than 240 global publications, *we are experts in the new digital landscape and we only provide a solution for the book publishing industry.* LibreDigital is a true partner in resolving the digital dilemma for publishers.

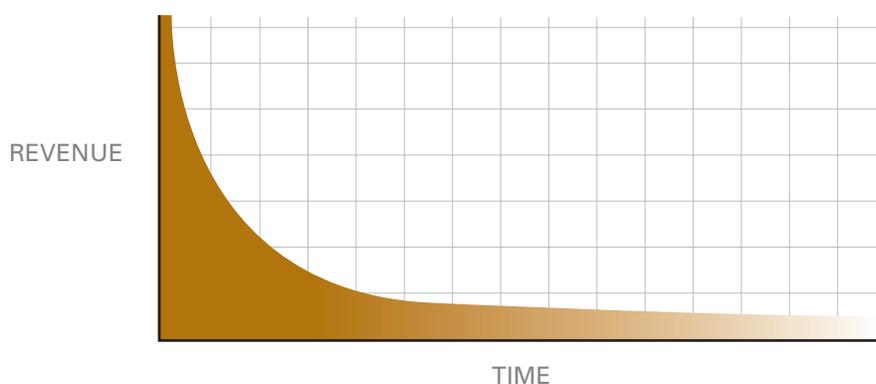
Historical Trends in Digital Publishing

1. Simple PDF-based content
2. Linked PDF, TOC, Bookmarks, Searchable PDFs
3. XML Content, eBookstores, Subscriptions, Packages
4. BookBrowse (“browse inside”) and widgets
5. Chunking, Syndication, Audiobooks, Video, Interactive
6. Micropublishing, eLarge Format, Mobile, Custom Book Assembly

Trends in Digital Publishing

To survive, Publishers must participate in the new “digital cash register” on the internet

When Amazon® introduced the “browse inside” feature in their online bookstore, Amazon publicly stated they experienced a **5%-7% uplift** in sales through the addition of this feature. The recent buzz in the publishing industry has been around the concept of “the Long Tail”—a new media construct wherein publisher’s revenues are spiked around new releases but through monetizing the backlist, revenues on any given property can be realized over decades. Digital repurposing – including creating custom books – of the huge amount of content in the backlist is a priority for publishers with a hefty catalog of previously printed works.



The long tail statistic proves that content gets further monetized over time.

Challenges to a global, scalable digital infrastructure for book publishers

It’s an easy task to define the challenges that are unique to the publishing industry as it faces the digital revolution. Questions you might already have asked include:

- A. *How much digital content will I really sell? Is it even worthwhile to tackle this?*
- B. *Which digital publishing technology is best and how can I evaluate so many different approaches?*
- C. *Without the answer to “A”, how do I manage the risk and upfront investment costs?*
- D. *With ever-present technology changes, how do I choose the right vendor with whom to partner?*
- E. *How can we position our publishing company to take advantage of the marketing opportunities presented by new communities like social networks?*

The real enemy is *inertia* or *doing nothing*

Get Started with the
*LibreDigital Internet Warehouse*SM

Incredibly, the true nature of publishing's current digital malaise lies outside of your organization, not within. As globalization brings cost-effective new consumers and markets to your door, the challenge now is—what market-facing, fully-digital repository makes sense to attract new partners and outlets for your inventory? The LibreDigital answer is the **LibreDigital Internet WarehouseSM for Publishers** and it is a solution that is available today. In use by forward-thinking publishers like HarperCollins, Microsoft Press and Hachette USA, the LibreDigital Warehouse is the only solution available that offers instant innovation and transformation for publishers.

Regardless of how you've built out your IT infrastructure, an Internet Digital Warehouse offers a way to finally define your "big picture" digital strategy without the cost, complexity or labor that may have prevented you from opening your inventory to the dynamic external markets. As a holistic addition to your current IT investments, the LibreDigital Internet Warehouse for Publishers is a natural extension to prepare your backlist and frontlist for **monetization via countless internet channels**.

Book "mashups" or custom book publishing

LibreDigital's Internet Digital Warehouse for Publishers (LDW) features functionality for custom book publishing called BookBuildSM. Using the BookBuild eCompile engine, publishers can use its simple interface to point to digital content in the LDW, to further segment content by chapter or even paragraph – and to create custom books from an endless variety of sources. Suppose you publish a regular series of travel volumes. Using BookBuild, you can now offer custom books to your traveling clients that are customized to their unique itineraries. This level of personalization of your backlist offers a significant opportunity for re-monetizing your catalog and creating more brand loyalty. The advantages of BookBuild can apply to publishers of unique non-fiction topics like travel, animals, geography and the arts to academia, where professors can create classroom materials compiled from multiple authors.

The Digital Warehouse for Publishers



LibreDigital Enabling



Defining a Digital Warehouse

An Internet Digital Warehouse for Publishers is a multi-terabyte, scalable secure storage system for digital assets (eBooks, audio and video files). An important aspect of the Internet Digital Warehouse is the QA (Quality Assurance), tagging, versioning and delivery services that are fundamental to realizing the value of the assets in the warehouse.* Realizing your own Digital Warehouse provokes three scenarios; buy it, build it, or use the SaaS (Software as a Service) option.

*Examples of what LibreDigital provides are seen in Figure 1 on page 7.

Using a Hosted Solution – an approach that **works!**

*Sophisticated 24/7 operations improve a book
publisher's agility*

LibreDigital was founded to provide a packaged and outsourced solution to ensure your digital publishing future. We provide our customers with a state-of-the-art digitization studio, global XML pipeline, quality controls, account management, a global trading and distribution platform and—most importantly—LibreDigital protects your future with the copyright protections and controls that are at the heart of your business. The LibreDigital Internet WarehouseSM makes sense because it features:

1. Fewer IT resources
2. Fewer security issues
3. Less hardware infrastructure
4. Less network infrastructure
5. Far lower initial investment in valuable revenue
6. Alignment of costs with revenues

More and more publishers are seeing the benefits of using a hosted solution for their IT operations, often because it provides both the scalability and flexibility they require without consuming precious corporate capital. A hosted solution allows you to expand and contract as market conditions vary, without stressing operations. LibreDigital is proud to partner with a global variety of mainstream publishers of many different sizes. Ask your Sales Consultant about the LibreDigital client roster—you will be impressed with the quality and extent of our experience!

A Look at Return on Investment (ROI)

Realizing the Value of Digital Warehousing

Working with large global book publishers has given LibreDigital ample experience in reducing the Total Cost of Ownership (TCO) for digital warehousing. We are able to reduce costs for everything from initial digital ingest to the ultimate warehousing and distribution of electronic content. The total focus of LibreDigital is in liberating book publishers from traditional models of software ownership and providing exceptional account management. Our Account Executives can provide everything from a custom demo of the system using your publications to a TCO model of your digital operations with LibreDigital.

Reduce Timelines, Mitigate Risk

LibreDigital minimizes the risk involved in implementing your Internet Digital Warehouse by removing the requirement for a massive, up-front capital investment, making the path to digital success exceptionally short. **LibreDigital implementations usually take less than a three-month period.**

The LibreDigital development team makes continuous improvements to your Digital Warehouse, resulting in new and advanced features being constantly added. Recent additions include the creation of a BookBrowse™ widget for community-building on sites such as MySpace® and FaceBook® and “book mashups”, called BookBuild, for custom publishing. It’s like having an additional sophisticated IT operation working on your system 24/7. Because we understand the Publishing Industry, LibreDigital also helps you forge new vendor partnerships with your extended supply chain, from printers for print-on-demand to large content purveyors like Barnes & Noble® and MSN®. As a LibreDigital customer, you will enjoy enterprise-class functionality at a modest hosted price, scaled to your digital publishing needs.

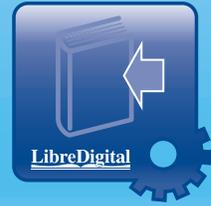
Eliminate Undocumented Costs

As an on-demand service, there is no software or hardware to buy, install, maintain or upgrade. With LibreDigital, you can focus on solving strategic problems because we are taking care of your digital assets and titles. Talk to your LibreDigital representative to have a TCO (Total Cost of Ownership) and ROI projection prepared for your organization.

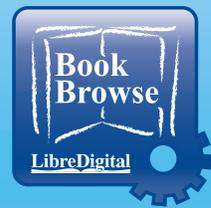
Consumer Experience

Discovery

- Search
- Community Widgets



Experience



Purchase Decision



Format Decision



A “browse” inside the LibreDigital Warehouse for PublishersSM

FEATURES

BENEFITS

Search and Browse Inside

- Enable browsing of content on any website, anywhere in the world
- Control copyrighted content via full Digital Rights Management

Multi-Format Conversion

- Reduce costs by digitizing once and converting to many formats with one vendor, including all major eBook formats
- Convert to digital standard format XML (IDPF ePub format) plus all other current eBook formats that are accepted by most aggregators and enable sales of partial/custom content
- Future proof against new formats with rich tagging and format conversion abilities

Partial And/Or Combination Content (e.g. Custom Books, BookBuild or “book mashups”)

- Uncover new revenue-generating opportunities for existing content
- Offer customized books for your customers via the eCompile process called BookBuild
- Identify and capitalize on new syndication opportunities

Digital File Management

- Powerful file management tool that allows users to search and access individual files associated with any title stored in the warehouse
- One button push to add completed title to the LibreDigital Warehouse
- LibreDigital also features watermarking, either hidden or obvious, to further protect your assets

Print-On-Demand

- Make the term “out of print” a thing of the past
- Increase profitability by reducing inventory and print costs
- Easily reflow to oversize print without adding inventory
- Sell print-on-demand titles via in-store kiosks

Search Engine Integration and Partnerships

- Access more search engines with reduced effort managing each
- Control the access and vending of content, while reaping benefits from the additional hits

Multi-Format eCommerce Site

- Establish the foundation for generating new revenue streams
- Increase purchase flexibility and satisfaction for your customers
- Add eCommerce capabilities to your site easily, quickly and at a reasonable cost

Extensible Technology Solution

- Future-proof your organization, ensuring you can capitalize on new digital distribution methodologies as those capabilities are available in the market

Google® recently emerged as a new force in the world of publishing as they announced Google Books, the large-scale digitization and availability, on the internet, of millions of documents. Publishers must decide if and how to work with Google Books and how to protect their copyrights.

Flexibility + Control = True Web Agility for Book Publishers

Book Publishers have viewed the World Wide Web as a marketplace for digital content with some natural trepidation. That's because until now there has been no easy-to-implement solution to managing rights and permissions. The LibreDigital Internet Warehouse for Publishers eliminates this challenge.

Unlike earlier Digital Rights Management (DRM) solutions, Rights and Permissions (R&P) are integrated into the LibreDigital Internet Warehouse and provide exceptional value without pain. Book Publishers have the ability to control access to their content, down to the page level. They have complete control over assigning both access and use parameters on a distributor-by-distributor basis. The R&P information can be imported into a Royalty System or interfaced to tools like WebTrends™.

Another web-oriented challenge for Book Publishers is getting information back on web-based consumption. LibreDigital provides logging and tracking of all warehoused content and can tell you how a title is being consumed and by whom. For the first time, Book Publishers can create an auditable web marketing initiative and actually measure the results of marketing campaigns. This is a phenomenal breakthrough for publishers and will truly make the promise of digital distribution and monetization a reality, at last.

LibreDigital Warehouse System

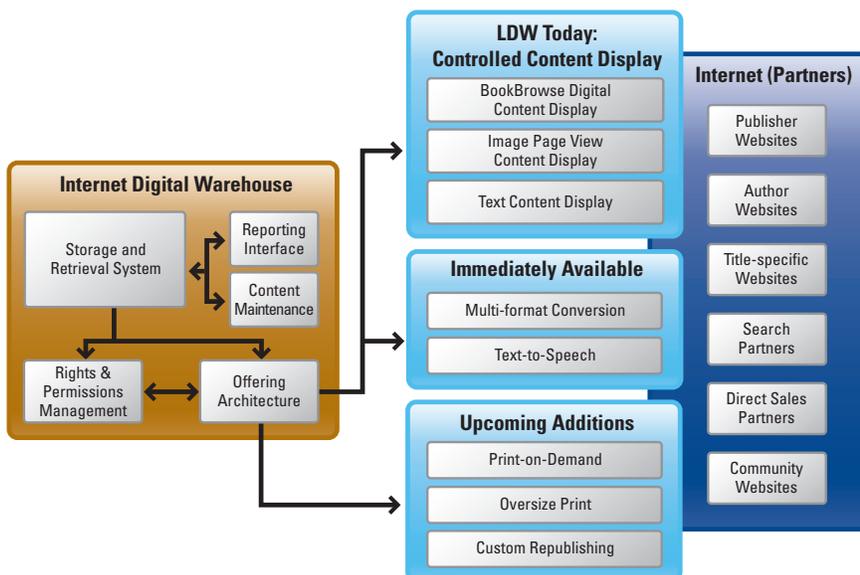


Figure 1 – The LibreDigital Warehouse Architecture

Current technical requirements for publishers

(all provided to LibreDigital customers):

- Integration with website
- Search & Discovery—but with strict controls
- Audiobooks
- Statistics
- Channel Partners—flexibility and custom access
- Multiple format sales—Print, eBook, Audiobook
- Integrated sales environment
- Watermarks
- Custom publishing using the eCompile service called BookBuild for “book mashups”

About LibreDigital

A division of NewsStand™, LibreDigital provides a total solution enabling digitization, distribution and display of secured content that is optimized and architected for controlled repurposing and monetization via the Internet. NewsStand is a world-leader in digital publication warehousing and internet distribution with 240+ periodicals and over 32MM editions delivered in 120 countries. The LibreDigital Internet Warehouse for Publishers is a hosted application providing trade and academic publishers with a secure and highly-effective platform for using the internet to digitize and monetize their intellectual capital, with minimal risk and low upfront costs.

LibreDigital develops technologies to enable book publishers to captivate readers across new print, online and mobile platforms, including the iPhone. The LibreDigital Internet Warehouse for controlled Internet distribution and display of book content, eBooks and Audio Books is the platform-of-choice for the world's top book publishers. Find out more at www.libredigital.com.

“The initial and recurring costs of providing applications can exceed \$10,000 per-user, per-year. Hardware costs comprise less than 15% of this total. The remaining 85% include costs of network and communications infrastructure; the cost of personnel required to develop or acquire, maintain and update applications; and on-going technical support.”

— The Tolly Group



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