TOWARDS READMAGINE 2021

Post-covid behaviors of consumers and readers

Fundación Germán Sánchez Ruipérez

Con la ayuda de

Ministerio de Cultura y Deporte
Dirección General del Libro y Fomento de la Lectura

Introduction

This document reflects a descriptive and analytical summary of the conclusions from one of the working groups gathering remotely in Readmagine 2020. These debates, crafted by an international group, focused on the impact on reading and consumption behaviours and their consequences for the book industry.

This executive summary is one of three papers created by specialists on last year's Readmagine. In this case we will be focusing on that of the work group coordinated by Luis González (Fundación Germán Sánchez Ruipérez, FGSR) and Verónica Reyero (Antropología 2.0). We will be parting off of these brief conclusions when working on Readmagine '21, directing around the issue:

From our present perspective of the positive figures in markets and reading figures during the 2020 crisis, how can we ensure this pattern continues throughout the next few years? Moreover, how can we overcome some threatening trends that underlie beneath those good results?

That's why we use the shape of god Janus as the image for Readmagine 2021 edition; precisely the roman divinity of beginnings, endings, doorways and also duality.

The FGSR has been working during the last months founded on a hypothesis -based on both the first data on reading behaviour collected in 2020 and on the projection of trends that we have documented in recent years- that argues that the crisis will have two fundamental impacts:

1. **Acceleration of the long-term trend towards a digitization of consumption, access and reading.**

2. **Digital transformation of cultural practices that were developed by early adopters into mainstream.**

Methodology for the "Homeric" 2020 edition

Readmagine marks the Week of Innovation of readership, libraries and books organized by the Fundación Germán Sánchez Ruipérez since 2005. In 2020, Readmagine had to adapt to the pandemic by taking up a completely online format.

The work strategy took the following steps:

1. Analysis of the consequences of in-home consumption during the confinements. The debates and conclusions about the impact of this trend was assumed with the following focuses of interest:

   - **Basic needs that covers the in-home consumption.**
   - **Drivers of change.**
   - **Inspirations from other industries.**
   - **Innovation potential for the cultural industries.**
   - **Emerging consumers expectations.**

2. The second area of work was focused on an exercise of strategic foresight. The aim of this group is proposing a draft for the next scenario for the behaviours that are most relevant for the publishing industry. That is why the team used the methodology of the candy cone for the development of prospective hypotheses.

Our first assumption was that there is a gap between what others make of us and how we see ourselves as an industry and value proposition for the society. Interrogating the former is what can lead to new opportunities, especially in the case of new audiences.

From this perspective, the publishing industry may think that customer needs it's something that makes part of the general knowledge in the value chain. However, from the very beginning (2005) the Readmagine meetings were conceived as an opportunity to test and challenges our mindset on the reading behaviour in society.

Therefore the working group produced two differentiated outcomes:

- **A response to the challenges from in-home consumption.**
- **A definition of the future scenarios for reading and purchase of books.**

1. The impact of in-home consumption

As Covid-19 and the subsequent lockdowns made people's homes their hub, we saw a lot of more hyper-connected homes faster than we anticipated a few months before. As people spent more time at home than ever and digital connectivity matters for every activity -from remote work and learning to telemedicine, social communications, gaming, leisure or reading.

This is the reason why this working group chose -among different alternatives- the in-home consumption as the most interesting starting point to understand the future scenarios for reading and buying books.

From the Readmagine series of events we insisted on the need of reinvent processes in the organizations from the book sector and recycle ideas from other industries (we used the term: learn to work across boundaries). That is why FGSR invested time and effort researching and experimenting with different digital reading technologies (from 2009 to 2012), with digital reading communities (from 2010 to 2014), prototyping e-lending systems in public libraries (from 2011 to 2017), implementing new roles for libraries within their communities from 2012 to 2018) and implementing UX for the book sector, among many other projects.

In the context of that sequence of projects we insisted that the book industry had to adapt to digital processes in all steps of the relationship with readers and that it was necessary to make changes before that digital would become clearly mainstream.

Some industries showed to better equipped than others for a crisis as covid-19. Those with processes that are not fully digitized have faced challenges. This was the case in many countries for the publishing value chain. After all, if even a very small proportion of a process still requires manual intervention, that operations were likely bottlenecked during the COVID-19 shutdowns. This was the case of the brick and mortar bookstores during the first weeks and the reason why many people turned to digital solutions (e-commerce or eBooks).

By contrast, industries, organizations or companies that had already invested in cloud technology, advanced data solutions and mobile technology before COVID-19 have been able to mitigate the impact more confidently when they addressed the in-home market.

A. Basic needs it covers

The working group defined the necessities as a more general category in-home life -not only consumption- and would grow to encompass most human needs: work/income, media experience, trade and commerce. Therefore in-home consumption would provide four types of solutions:

A.1 Isolation, comfort and new social behaviour

- **Universal virtual environment.**
- **Stay safe at home but linked to the world at will and being able to multitask.**
- **Less need to move (travel, mobility, etc).**
- **A window to the world from the shelter of the home.**
- **Security, comfort, gaining time, wide offer, self-indulgence.**
- **Socializing and being part of virtual communities.**

A.2 Money

- **Increase productivity (salary/outcomes).**
- **Choose how to spend your money in an efficient way**

A.3 Time

- **Saving time. Easier to organise the schedule time.**

A.4 New options

- **Learning.**
- **Information.**
- **Wide offer for culture and entertainment (more possibility of choosing within a higher competing content and unlimited access to content 24/7).**
- **Cooking.**

B. The drivers of change

The participants debated about which could be the drivers of change from the perspective of the impact of the lockdowns in a short and long term. Which were the trends linked to the in-home consumption? What are the general variables in our societies that will impact in the publishing system?

B.1 Short term

- **Mergers in the entertainment industries.**
- **The wide availability of technology and connection at lower/ reasonable cost.**
- **Growth of the offer from streaming platforms.**
- **The E-learning as a general system.**
- **The need of a reliable information because the increase of the fake news.**
- **Dissemination of the early adopters behaviour because the kids in the house may help older people using technologies.**
- **The millennials behaviour pattern of expecting immediate satisfaction of their needs.**
- **The ubiquity of smartphones and game units.**
- **The dissemination of the sustainability concerns inducing a reduction of transportation patterns.**
- **Easy delivery at home as the general expectation (Amazon model) for every purchase.**

B.2 Long term

- **Fast development of highly specific apps and services thanks to NoCode development and templatized media.**
- **More publishers willing to accept subscription-based models to reach readers.**
- **Need to create an alternative for the cancelled book fairs new mindset, - the awareness that this is actually working :) also, pressure from other CCIs - new formats.**
- **Environmental costs and concerns will define the strategies.**
- **Young people are digital natives and their mindset will accelerate changes.**
- **The security consolidates as a major issue for the consumption.**

C. Inspirations from other industries

The group also identified ideas from other industries, solutions from other field of action that may be useful for the publishing to deal with the new behaviours that will surge from the general trend of in-home consumption. How are other industries applying these ideas? How are they adapting to this trend?

- **Netflix / Disney (all subscription services) understand the power of in-home consumption and will continue taking market shares from theatres.**
- **A good example of an online Festival: dokfest-muenchen.de, watch& pay films for everyone, and meet and greet the makers.**
- **Near Street: Helping high street shops sell more locally.**
- **Google & Amazon smart speakers are home devices, simplify access to information home control.**
- **Aer.io: Market and Sell Books Online.**
- **Supercharge your Book Marketing and sell Ebooks and print books direct.**

Here is a sample from many of the ideas that were selecting when the group started to think out from the box:

- **BTS online concert and Travis Scott new disc launching in Fortnite / SecondLife.**
- **Slack, Discord channels become watering holes/gathering places for special interest groups. Where is the same for books?**
- **Transparency and shared values of civic brands (Patagonia).**
- **Businesses are bundling offers to reach more consumers.**
- **Interactive storytelling platform.**
- **Use of multichannel for distribution but also for promotion.**

D. Innovation potential for the cultural industries to reach the behaviour transformation

The next task for the working group was to come up with ideas from the previous discussions. They were asked to be creative though a brainstorming session with the next challenge: How can we apply the new in-home consumption trends in the publishing industry?

- **Drone Book Deliveries.**
- **Innovative storytelling mixing texts, images videos through cross-disciplinary practices and co-creation processes.**
- **Reinvent the learning products: e-Learning could transform into a much more personalized experience, where the automation is used for some concrete offer tailored for each person.**
- **Templated storytelling for the purposes of producing "design fiction" - speculative futurist artefacts imagining new products and services.**
- **Deliveroo is crucial for food during lockdowns, why not for local booksellers? Bookshops: curation, community, convenience and communication.**
- **Need to transform compensation to authors from sales of units to net revenues.**
- **Innovative storytelling mixing texts, images videos.**

The following list is an interesting example of the sort of response that one cultural industry can define for different challenges shaped by the behaviour transformations:

- **Leave interactive comments on the book you read, for others to comment.**
- **Digital Visual Narratives (influenced by WebToons), subscription-based models, series/episodes.**
- **Media equality (books & comics & audiobooks in a unique app).**
- **Omnichannel strategy.**
- **Build narrative universes in which readers can participate and be creators themselves.**
- **Engage prosumers to create content around publishing products (Booktubers).**
- **Find an easy and convenient way to let readers be discovered by books (and not the other way around).**
- **Online Book-clubs, Silent Zooms, Booktubers, #readingstack, Quarantine bookclub.**

E. Emerging consumer expectations

The last stage of this creative exercise about in-home consumption was focused on the growing needs of the consumers due to the confinements experiences. What are the new consumer needs now? What are the expectations created by the changes linked to the lockdowns? Where are the trends that are rising from the in-home consumption?

Here is the list of new consumer expectations:

- **Instant satisfaction of their needs: Immediate answers, immediate delivery.**
- **High quality and personalized and customized experience.**
- **Tolerance 0 to frictions in the customer journey.**
- **Service and support as a crucial part of sales experience.**
- **Omnichannel is now an obligation.**
- **The need for platform integration: all content access in one platform for every device.**
- **Wider possibility of choice and higher quality requirements for products and services.**
- **Better curation of content.**
- **Expectations of interactivity or connectedness in the media itself. (e.g. Bandersnatch, Wattpad, Tik-Tok, immersive games). Consumers expect to be able to do something beyond being the audience.**
- **Consumption linked with the impact on the environment.**
- **Discoverability is a key factor: voice as a discoverability tool.**
- **Technology must "disappear" no need for investing in learning how to use them.**
- **Staying/working at home means fragmenting time even more. No more long period of time on a given task: TV series and short stories?**
- **No more need for intermediates: instead a direct relationship.**
- **Individualized services / e. g. algorithm-based content suggestions.**
- **All-you-need in one single place/destination.**

2. Post-covid scenarios

The second area of work was focused on an exercise of strategic foresight. When speaking about behaviours we need to offer a draft for the next scenario for the behaviours that are most relevant for the publishing industry.

Obviously, few things are riskier than predictions (we could be either completely flaw either a group of Cassandra prophetess). This is the reason why we opted for a rational scheme in which there is a certain gradation and the possibility of explaining reality from complementary concepts. Instead of offering a future scenario, several scenarios are built, but - for the sake of minimal intellectual rigor - scenarios that are not equivalent but operate in an alternative way.

The different scenarios were:

Probable

Those events we think are 'likely to' happen, usually based on many cases. Therefore from a quantitative approach: current trends. For example, grow of AI in publishing companies.

Plausible

Those developments we think 'could' happen, based on our current understanding of how the world works (physical laws, social processes, etc), but are less likely to happen because political, economic or social reasons. For example: Collaborative economic growth.

Possible

This is the category of events or future trends that we think 'might' happen, based on some future knowledge we do not yet possess, but which we might possess someday. For example: warp drive engine

Preferable

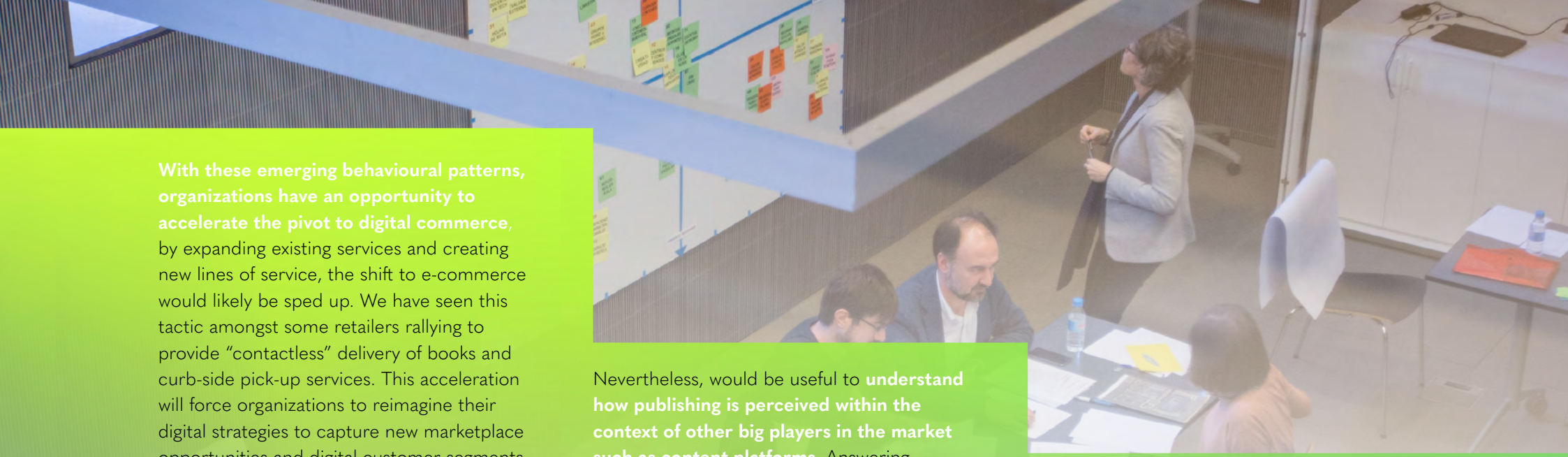
Those events we want to happen, we think 'should' or 'ought to' happen: they are normative value judgements as opposed to the mostly cognitive, above. There is also the associated converse class—the un-preferred futures—a 'shadow' form of anti-normative futures that we think should not happen nor ever be allowed to happen. For example: global climate change scenarios comes to mind.

3. FGSR: working with hypothesis during the last decades

The coronavirus outbreak has forced organizations to re-evaluate how touch points or interaction with customers are leveraged, how professionals deliver relevant customer experiences and how digital channels can be used to support the book industry continuity through this crisis and beyond.

The global COVID-19 pandemic has forever changed our experiences—as customers, employees, citizens, humans— and our attitudes and behaviours are changing as a result. **This crisis is fundamentally changing how and what consumers buy and accelerating immense structural changes in the content industry**. Once the immediate peak in the outbreak of the virus has passed (first wave), organizations within the publishing industry will need to consider the impact of these changes on the way we design, communicate, build and run the institutions and companies.

We use the term "acceleration" of trends because our hypothesis (FGSR's research team) is that there might be an impact of COVID-19 disruption on leisure time. Probably the people who spent more time on in-home content consumption (through digital supply) during those months were already customers of that kind of content before the lockdown. Thus, the first impact would mean more intense engagement than a big increase of new audiences. Nevertheless, we also believe that is likely that this behaviour could induce new consumers to take up these new trends (more digital, more streaming, more in-home supply or more home focused activities) by evolving in a long-game fashion.



With these emerging behavioural patterns, organizations have an opportunity to accelerate the pivot to digital commerce, by expanding existing services and creating new lines of service, the shift to e-commerce would likely be sped up. We have seen this tactic amongst some retailers rallying to provide "contactless" delivery of books and curb-side pick-up services. This acceleration will force organizations to reimagine their digital strategies to capture new marketplace opportunities and digital customer segments.

Perhaps the most prominent transformation is the rise amount of time spent on new types of activities and devices: different social networks, streaming consumption and mobile devices.

There is a gap between what others (frequent readers, new audiences, media or influencers) make of us and how we see ourselves. Interrogating the former is what can lead to new opportunities for the publishing.

How is the book industry being perceived? There may be some surprises here and there, but this exercise is different to the sort of research that would normally be required for acquiring such insights.

Nevertheless, would be useful to **understand how publishing is perceived within the context of other big players in the market such as content platforms**. Answering questions such as, does our *brand's image* align with the new consumer values? Would someone favour another business model (GAFA) over ours? If so, why? Asking such questions is something that the entire reading ecosystem could take advantage from. Now more than ever, consumers are looking beyond products and services, instead paying close attention to whether or not a brand's ethos aligns with their own values, Therefore the publishing industry has to take a stance on environmental, ethical, and social issues.

Consumers attitudes towards an industry affects each player and thus, each brand's capacity to compete, and thrive. However, attitudes are subjected to changes, hence why being in the dark about what they truly think can come at a high cost. From the different exercises undertook by some of our organizations (GWI, FGSR, FBF, AIE, FEP, among others) would be patent some lack of reflection and, therefore, strategies to link insights on changes in attitudes to new conditions in the market.

We believe that tracking the health of book industry's brand in long-term is crucial. With behaviours and perceptions more restless than ever, it is useful to know what aspects of business models are driving outcomes, and which aren't. That way, tracking creates opportunities for growth and improvement of this industry. It shows us how we got to where we are, and alludes to how to get to where we need to go.

4. Let's define the probable scenario

We believe that the most useful thing for this executive summary like this one is to focus the reference on some of the trends that were identified as "probable" and that would be the pillars of a probable future scenario.

Content as core component for transmedia consumption

> *The working group highlighted, that we are expected to see an increase in demand for all trends that lead to multimedia experiences. Moreover, we may also experience a wave of new ways of storytelling, links between narratives and virtual reality or video games, as well as the combination of text-audio-video. Content is the "raw material" to be used in different kind of products.*

Boost of the content granularity for short-time intervals

> *We can expect an increase in consumption of shorter-duration products, such as brief essays or stories. In other words, a boom in demand for content that does not require a long attention span. Reading could be consumed in short intervals and between different activities.*

Increase in the value of educational content

> *There was a consensus regarding the significance of the impact caused by months of remote education. This would generate a stable trend of increasing the value of educational content and a greater demand for digital content concerning personalized training. Learning has been disrupted, students have experienced how their learning routine and the reaction can lead to a greater boom in reading oriented towards practical functionality.*

Growing demand for digital support

> *It will be necessary to take into account that more attention must be paid to the requirements from in-home consumption at home for the accessibility of a book on different devices. Customers are likely to demand "agnostic devices", as the foreseeable increase in the consumption of ebooks and audiobooks regardless to the platform.*

0 tolerance for bad user experience

> *The quality of the experience in relation to the client will be enshrined as a standard in the purchase and consumption of books. We can also expect a greater demand for more personalized and immediate services (immediate satisfaction). From this point of view, engaging the future consumers with local bookshops and the value of the experience in high street bookstores is an upcoming challenge.*

Preference for subscription models

> *Finally, it is likely that consumers will show a preference for subscription based models and less for unit sales.*

5. Conclusions

It's useful to explore how the publishing's target audience relates to the value propositions, and the world around them – in that order. This is, therefore **why the probable scenario is so important**. From the group of ideas harvested we can explore trends that relate to different evolution of behaviours:

1. **There are certain predicted trends connected to the content such as the innovative storytelling; the rapid evolution of education towards a mix of physical & digital resources; the narrative universes tied to virtual reality products; the text - audio - film cross-sector experiences or more short stories consumed in a segmented agenda.**

2. **The working group also identified trends linked to the consumer's experience as: more individual in-home consumption, more affinity-driven online communities; increasing use of ebooks and audiobooks across different devices; the increase on the demand of very personalised services; instant satisfaction of customer needs; changing lifestyles mean fragmenting time even more; shifting between media, dual screening or the rise of the high street challenge: How to engage the future consumer with experience in brick and mortar shops.**

3. **Finally, there are also trends that refer to the impact of preferences of customers on the transformation of business models: growing share of subscription vs 1-by-1, increasing concentration of cultural supply, shift towards web-based publishing, a new strategy that involve all supply chain or the increase the involvement of non-readers.**

From the first perspective, **evaluating our audiences' attitudes towards content** (books and reading) should be one of the first steps. The second step might be to track trends, preferences and attitudes apply to them in order to figure out which scenario we are facing. Combining the data of the two processes and learning key attributes about their persona will reveal mighty insight this industry can act on.

The exercise we undertook involves looking beyond reading behaviours and publishing industry performance, instead focusing on the impacts triggered by this global crisis at hand, on the **general trends of people** when they have to access to education and leisure (and also the rest of their needs).

Both public administrations and independent organizations can produce survey data in order to obtain additional insight on whether the present proposals are perceived as adequate to the people after the impact of the coronavirus crisis. Whilst factors we'll need to either dial up or down, may vary as will as business models or partnerships. Continually adjusting is a sure-fire way to win new audiences over.

From a **customer experience** perspective of the, organizations should determine which customer touchpoints demand greater investment and where decreased investment would make sense. One of the clearer consequences of the pandemic is how building of real-time channel dashboards to continuously re-evaluate and recalibrate channel investments can help companies keep ahead of demand and drive profitable growth. This demand may include "phy-gital" (digital + physical) experiences, such as contactless delivery and telemedicine, as well as virtual engagement innovations such as virtual reality and augmented reality.

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