Inside the Mind of a Book Pirate

Winter/Spring, 2017

TABLE OF CONTENTS

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E-BOOK PIRACY STUDY

BACKGROUND

The growing adoption of digital formats by consumers, students, and professionals has enabled the growth of illicit downloading and accessing of copyrighted material produced by publishers. This is costing US publishers significant amounts of lost income.

OBJECTIVES

The objectives for this study are to understand who is downloading illicit material, how and where they are doing it, and what this might represent to the industry in terms of lost sales by measuring survey data against our Books and Consumers data.

METHODOLOGY

The survey was conducted online using Nielsen's sample of past 6 months e-book purchasers in the Books and Consumers survey. From there purchasers were asked about their methods of downloading e-books and a sample of 595* were identified as having pirated material.

*Sample was weighted based on a profile of illegal downloaders identified in the Books & Consumers survey

Note: This report highlights the main findings from this study, including noticeable variations by different types of respondents. There are also opportunities for further analyses against custom targets (i.e. for a specific region, or specific downloader type, etc.). The more detailed data is available to carry out additional analyses in the Toluna Analytics platform.

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EXECUTIVE SUMMERY

Who are Illegal Downloaders?

The majority of illegal downloaders are 18 – 34 years old, educated, and wealthy.
- → More than 70% of illegal downloaders have either graduated from college or have a post college graduate degree.
- → Illegal downloaders are also slightly more likely to be 30 – 44 years old and to have a yearly household income of $60k - $99k.

How and where do they download?

Roughly 30% of illegal downloaders either obtain their content from friends via IM, email, or flash drive or from downloading from public/open torrent sites.
- → Of the 13 – 16 e-books these illegal downloaders acquire per year, 3 – 7 are acquired illegally.
- → 4Shared.com is the most popular torrent site to download e-books and fiction books are the most popular genre to download.

What are the implications in lost sales?

Illegal downloads account for approximately $315 million in lost sales to the US e-book market per year.
- → This estimate is based on a number of assumptions that are outlined in the study. However, this number is ultimately based on self-reported data, which could underestimate the total lost sales to the book industry.
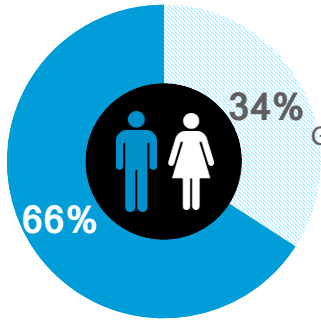
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STATE OF ILLEGAL E-BOOK DOWNLOADING

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WHO ARE ILLEGAL DOWNLOADERS?

GENDER

34%

66%

Male   **Female**

EDUCATION

Grade School / Some High School	1%
Graduated High School	10%
Some College	17%
Graduated College	40%
Post College Graduate	32%

AGE

18 - 29	41%
30 - 44	47%
45 - 54	6%
55 - 64	4%
65+	3%

INCOME

Under $30k	13%
$30k - $59k	19%
$60k - $99k	36%
$100k+	29%

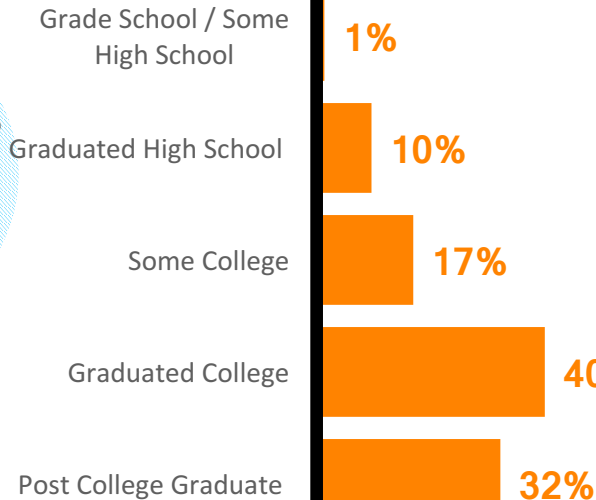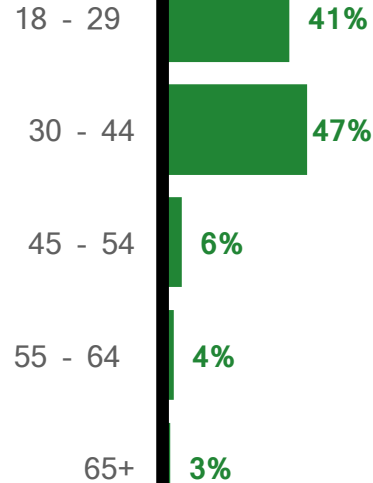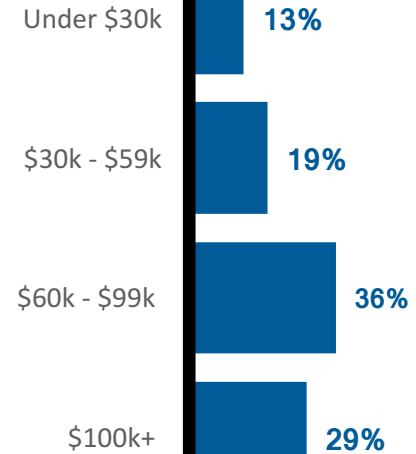nielsen

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ILLEGAL DOWNLOADERS USE MANY METHODS TO ACQUIRE E-BOOKS

Illegal Methods for Acquiring e-Books

On average downloaders use 1.5 methods to acquire e-books illegally

31%
Downloaded for free from a public/open torrent site (e.g., Pirate Bay)

31%
Downloaded for free from a public/open cyberlocker (e.g., Uploaded.net, 4Shared.com)

30%
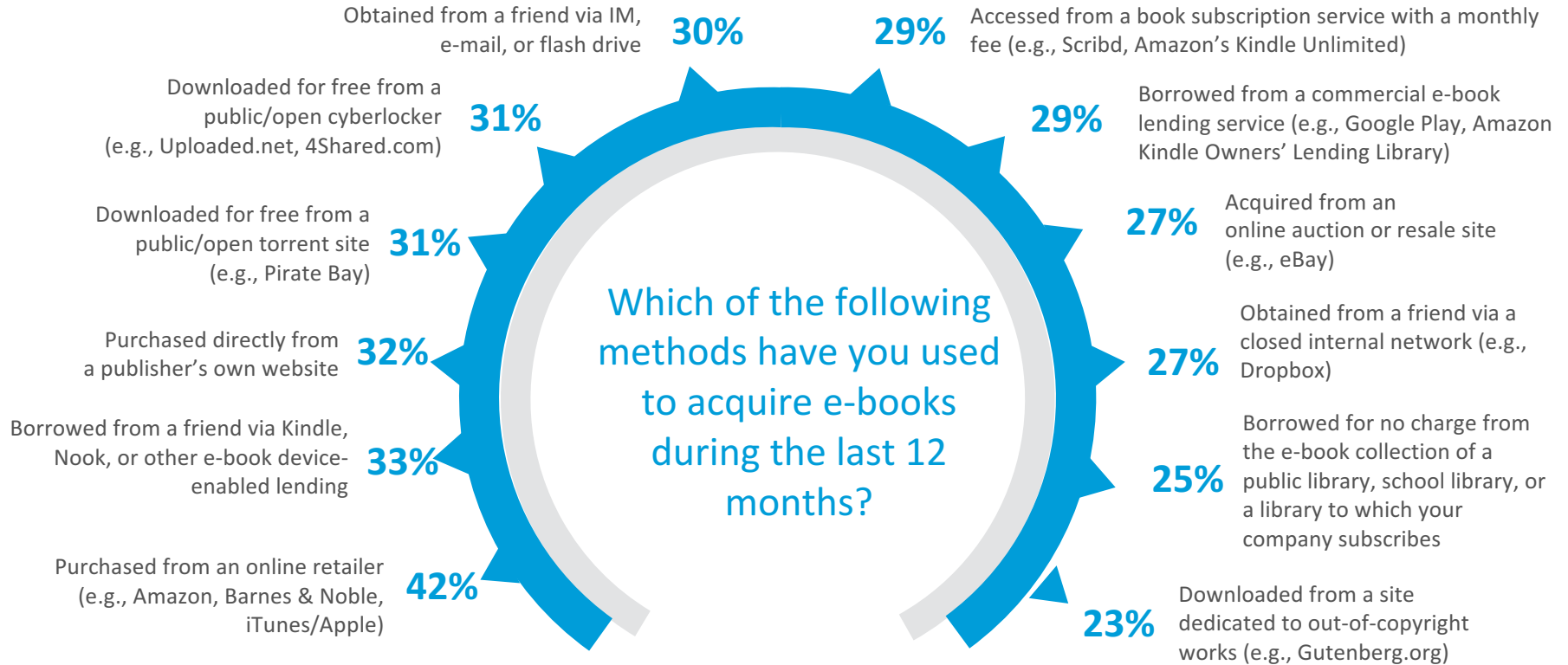Obtained from a friend via IM, e-mail, or flash drive

27%
Acquired from an online auction or resale site (e.g., eBay)

27%
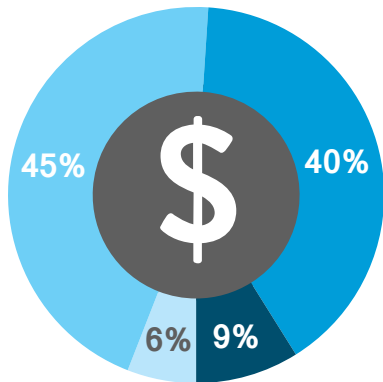Obtained from a friend via a closed internal network (e.g., Dropbox)

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BUT THEY ARE ALSO LIKELY TO PURCHASE E-BOOKS LEGALLY

Obtained from a friend via IM, e-mail, or flash drive — **30%**

29% — Accessed from a book subscription service with a monthly fee (e.g., Scribd, Amazon's Kindle Unlimited)

Downloaded for free from a public/open cyberlocker (e.g., Uploaded.net, 4Shared.com) — **31%**

29% — Borrowed from a commercial e-book lending service (e.g., Google Play, Amazon Kindle Owners' Lending Library)

Downloaded for free from a public/open torrent site (e.g., Pirate Bay) — **31%**

27% — Acquired from an online auction or resale site (e.g., eBay)

Purchased directly from a publisher's own website — **32%**

27% — Obtained from a friend via a closed internal network (e.g., Dropbox)

Borrowed from a friend via Kindle, Nook, or other e-book device-enabled lending — **33%**

25% — Borrowed for no charge from the e-book collection of a public library, school library, or a library to which your company subscribes

Purchased from an online retailer (e.g., Amazon, Barnes & Noble, iTunes/Apple) — **42%**

23% — Downloaded from a site dedicated to out-of-copyright works (e.g., Gutenberg.org)

Which of the following methods have you used to acquire e-books during the last 12 months?
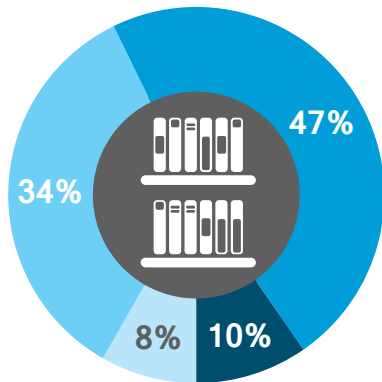
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COMPARED TO LEGAL METHODS, FINDING E-BOOKS IS FASTEST WHEN OBTAINING THEM FROM FRIENDS

How Long Takes to Find e-Books by Method

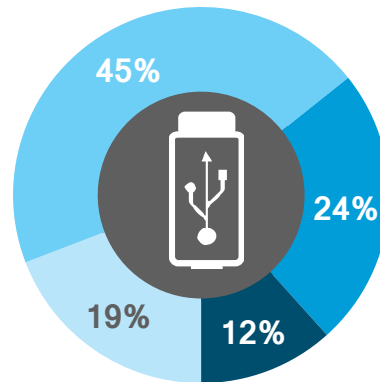**Purchased via Online Retailer**
- 45%
- 40%
- 6%
- 9%

Borrowed from a Library
- 47%
- 34%
- 8%
- 10%

Downloaded from Cyberlockers, Torrents, and/or Filesharing Sites
- 41%
- 33%
- 13%
- 14%

Obtained from a friend via IM, e-mail, flash drive, or a closed internal network
- 45%
- 24%
- 19%
- 12%

Legend:
- 1 – 2 minutes
- 3 – 5 minutes
- 6 – 15 minutes
- Longer

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DOWNLOAD TIMES ARE SIMILAR ACROSS ALL METHODS

How Long it Takes to Download e-Books by Method
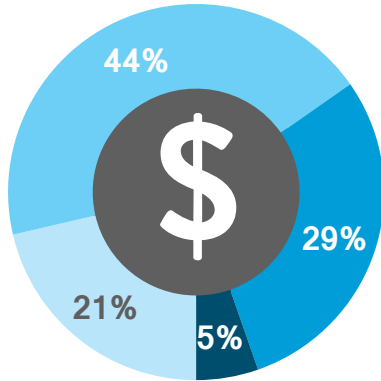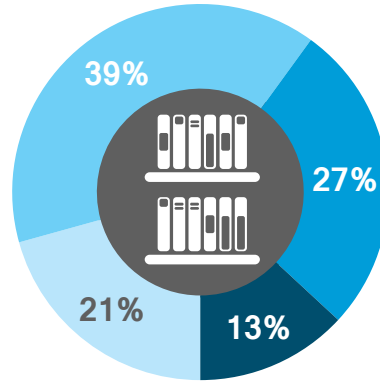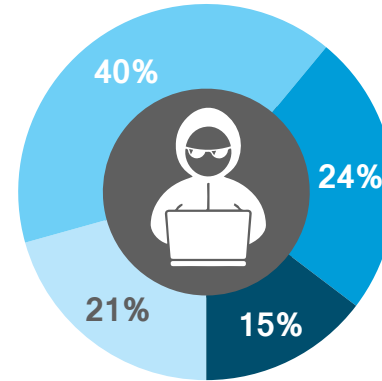
Purchased via Online Retailer
44% / 29% / 5% / 21%

Borrowed from a Library
39% / 27% / 13% / 21%

Downloaded from Cyberlockers, Torrents, and/or Filesharing Sites
40% / 24% / 15% / 21%

Obtained from a friend via IM, e-mail, flash drive, or a closed internal network
43% / 31% / 8% / 17%

Legend: 1 – 2 minutes | 3 – 5 minutes | 6 – 15 minutes | Longer

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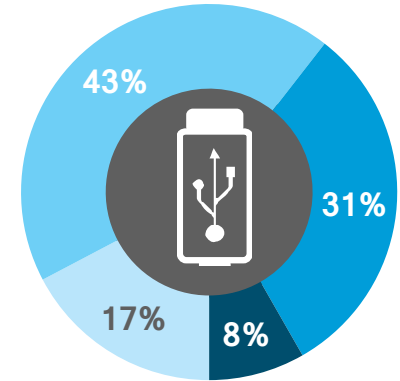
DEEP DIVE
INTO OBTAINING
E-BOOKS
VIA PUBLIC/OPEN
TORRENT SITE

WHO ARE TORRENT SITE DOWNLOADERS?

GENDER

EDUCATION

AGE

INCOME

31%
(92)

69%
(104)

Male

Female

Grade School /
Some high...
3%
(700)

Graduated High
School
10%
(142)

Some College
17%
(121)

Graduated
College
43%
(115)

Post College
Graduate
28%
(68)

18 - 29
47%
(114)

30 - 44
43%
(91)

45 - 54
5%
(80)

55 - 64
3%
(75)

65+
3%
(106)

Under $30k
14%
(101)

$30k - $59k
18%
(95)

$60k - $99k
34%
(95)

$100k+
32%
(109)
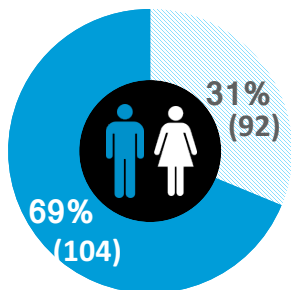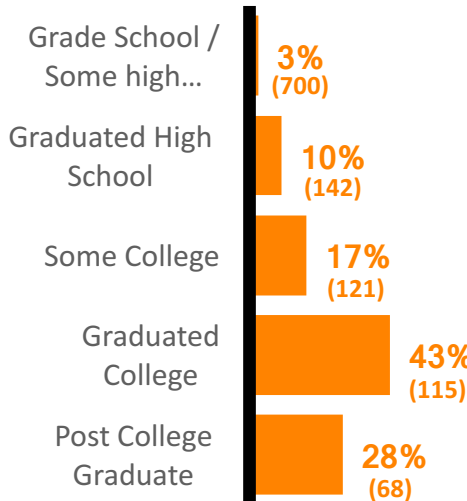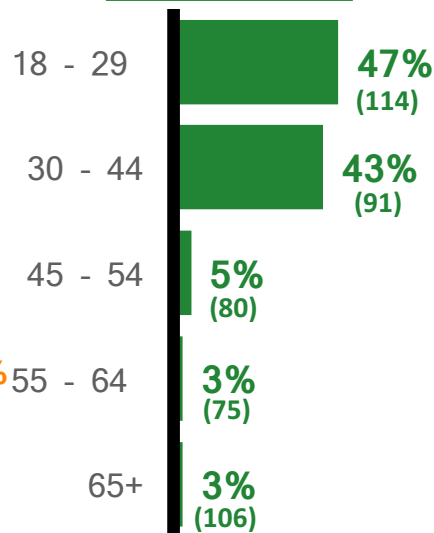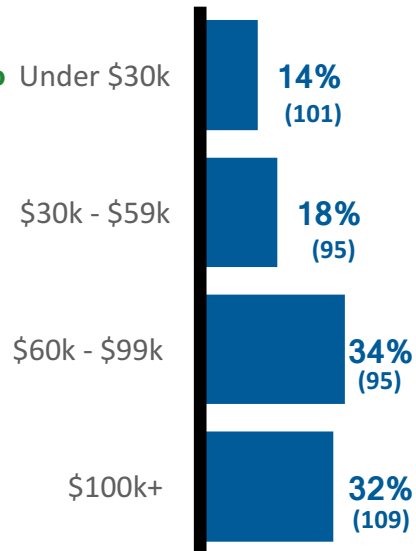
Indices are relative to all illegal downloading respondents

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THIS PROCESS IS DRIVEN BY CONVENIENCE AND EASE

Drivers to Download Illegal e-Books from Torrent Sites

Driver	Percentage
Convenient / easy	58%
Free / cheap	51%
e-Book/s are not available from online retailers	38%
This is how I prefer to acquire e-books	33%
I do not think I should have to pay for content	17%

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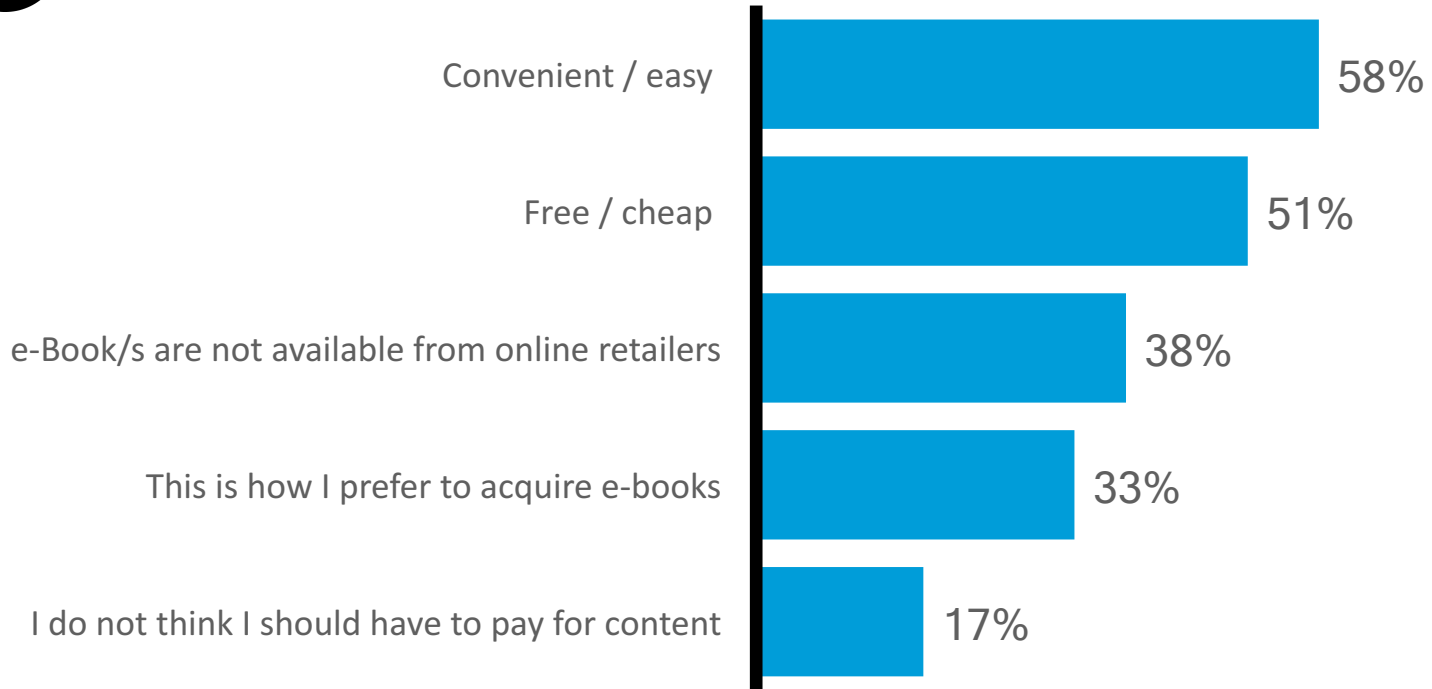
AGAIN, ILLEGAL AND LEGAL METHODS ARE SEEN AS BACK UP PLANS

Alternative Methods for Downloading e-Books if Unavailable
I would have...

Method	Percentage
Bought the e-book/s	33%
Downloaded the e-book/s for free from somewhere else	24%
Bought new or used print book/s	19%
Borrowed the book/s (either in print or digital form) from a library or a friend	15%
Not acquired the e-book/s at all	8%
Taken another action	1%

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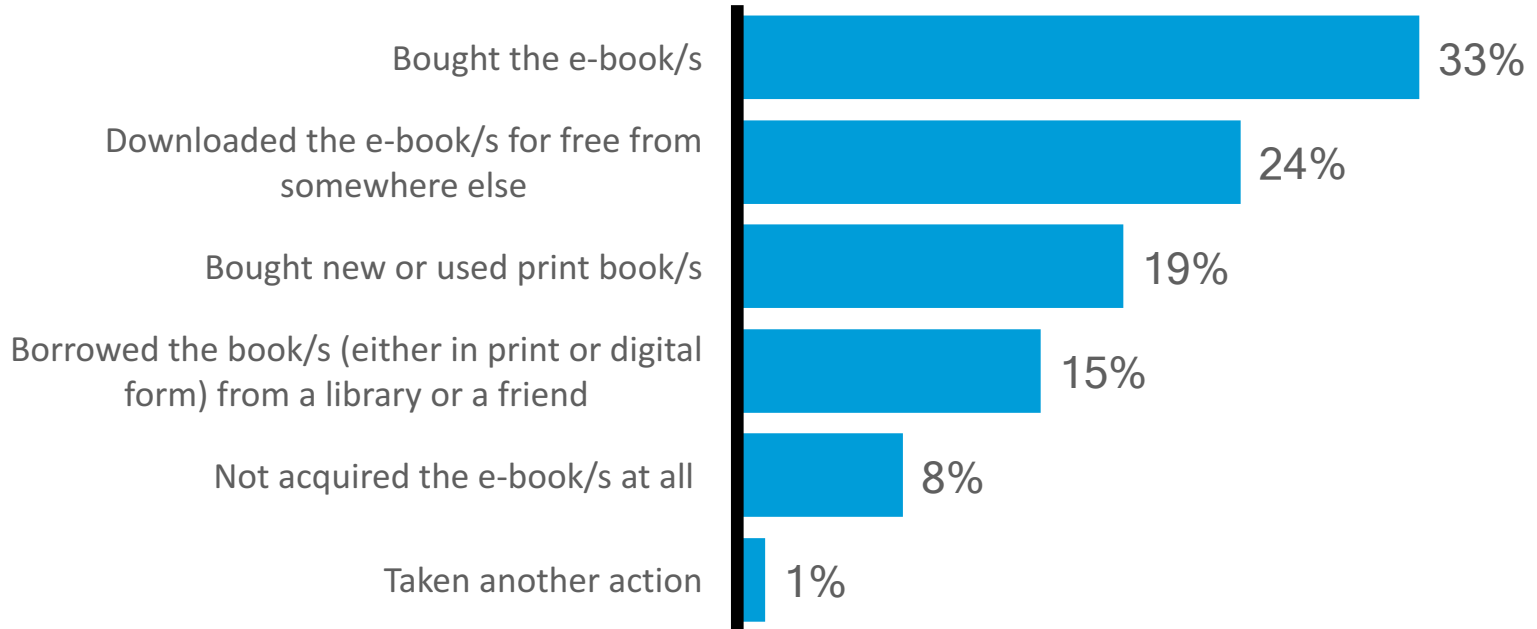
AGAIN, CONVINCE CONSUMERS THEIR EQUIPMENT IS AT RISK TO DETER

Negative Drivers for Downloading Illegal e-Books from Torrent Sites

■ Much Less Likely ■ Somewhat Less Likely ■ No Change

	Much Less Likely	Somewhat Less Likely	No Change
If I thought it was putting my equipment at risk by downloading	49%	34%	18%
If I believed I would be caught doing it	47%	30%	23%
If I believed it harmed the author	44%	32%	24%
If it became too technically difficult	37%	39%	24%
If I knew the site was making the e-book available illegally	36%	40%	25%
If the e-book I wanted was available to buy	33%	35%	32%
If e-books were cheaper	32%	35%	34%

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15

4SHARED REIGNS SUPREME OF THE ILLEGAL SITES

Top Sites Used for Illegal Downloading

Site	%
4shared.com	50%
Uploaded.net	34%
Bookos.org	30%
Book4you.org	29%
Rapidgator.net	28%
Bookzz.org	25%
Uploadable.ch	24%
Blacklib.com	20%
Toutbox.fr	19%
Goreads.me	19%
Rulit.net	17%
Nakido.com	17%
Chomikuj.pl	13%
Ryushare.com	12%
Other	14%
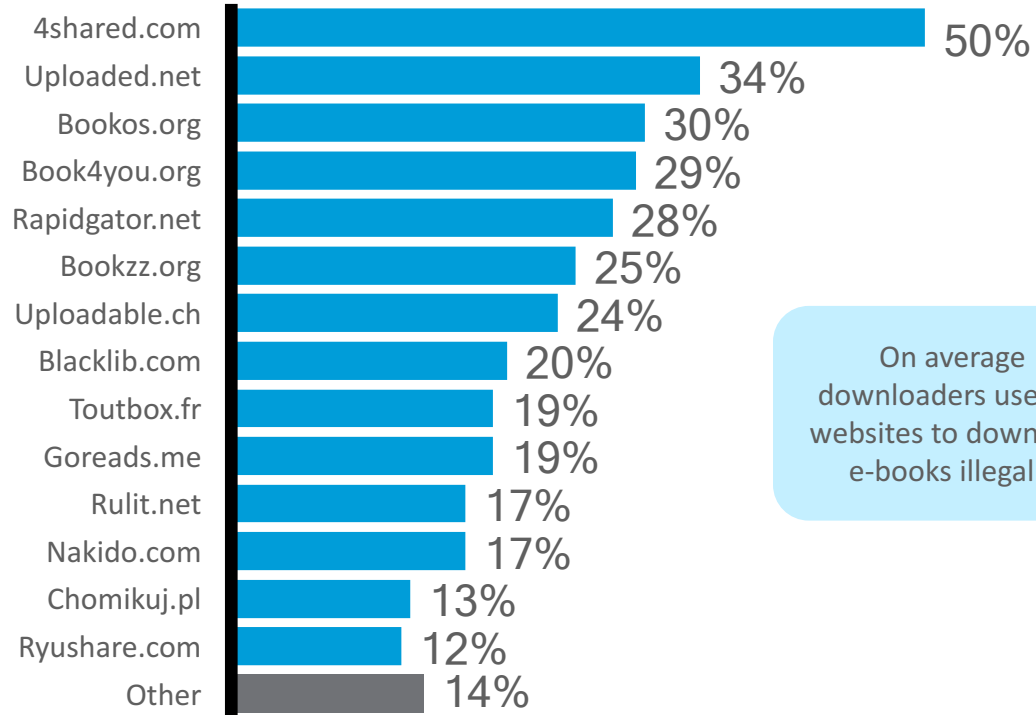
On average downloaders use 3.5 websites to download e-books illegally

NPD Piracy Digimarc Report
MQ17. Which of the following sites do you use at all to find free e-books?
Base: Downloaded from Torrent Sites (301)

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MOST DOWNLOADING AT LEAST MONTHLY, FICTION MOST POPULAR

Frequency and Type of Books Illegally Downloaded

Pie chart:
- Daily: 21%
- Weekly: 31%
- Monthly: 17%
- A few times a year: 19%
- Less often: 11%

Legend:
- Daily
- Weekly
- Monthly
- A few times a year
- Less often

Bar chart:
- Fiction: 58%
- Profess-ional: 47%
- Academic texts: 36%
- Non-fiction: 34%
- Children's books: 33%
- Academic journal articles: 32%
- Christian books: 25%
- Other: 23%
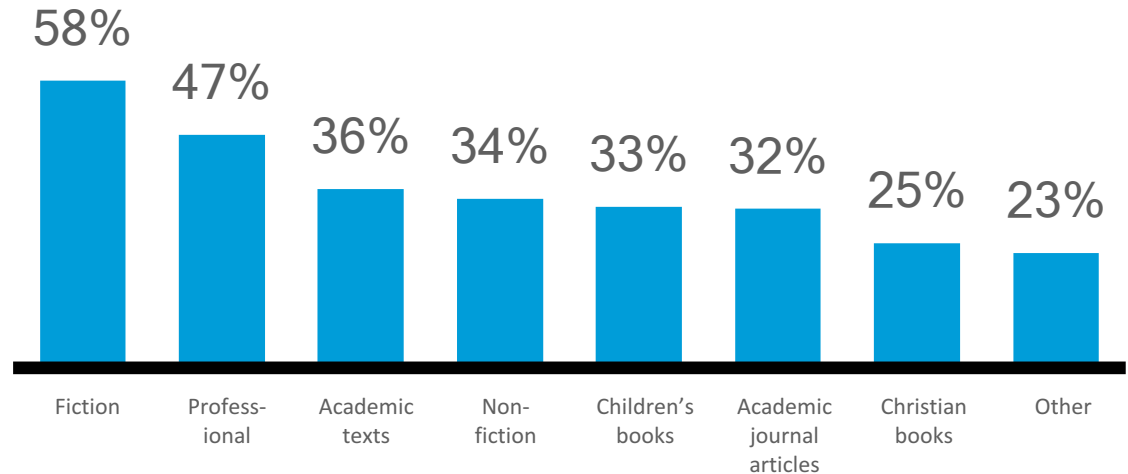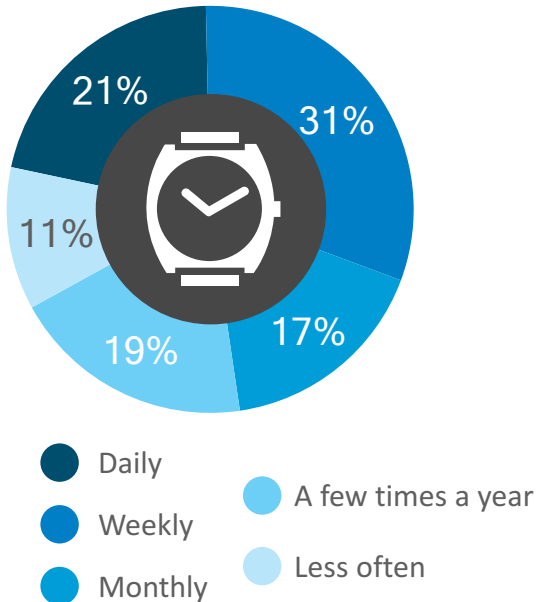
2.9 genres are illegally downloaded on average

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HEAVY E-BOOK ILLEGAL DOWNLOADERS ARE MORE DRAWN TO FICTION, LESS DRAWN TO PROFESSIONAL BOOKS

Type of Books Illegally Downloaded

Fiction: 58% / 63%
Professional: 48% / 40%
Academic texts: 35% / 42%
Non-fiction: 33% / 40%
Children's books: 32% / 35%
Academic journal articles: 33% / 30%
Christian books: 24% / 30%
Other: 23% / 26%

Legend:
- Illegally Downloaded 1 – 5 e-Books
- Illegally Downloaded 5+ e-Books

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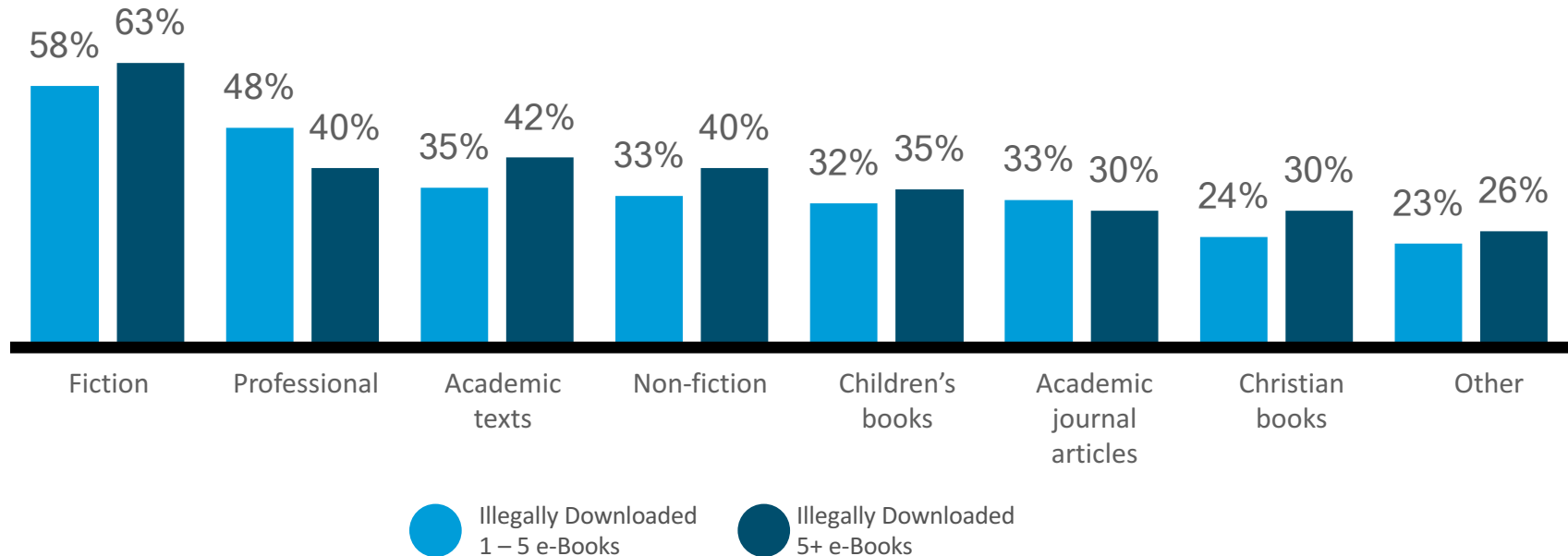
OLDER DOWNLOADERS ACQUIRE MORE NON-FICTION, PROFESSIONAL TEXTS ARE MOST POPULAR FOR 18 – 44 YEAR OLDS

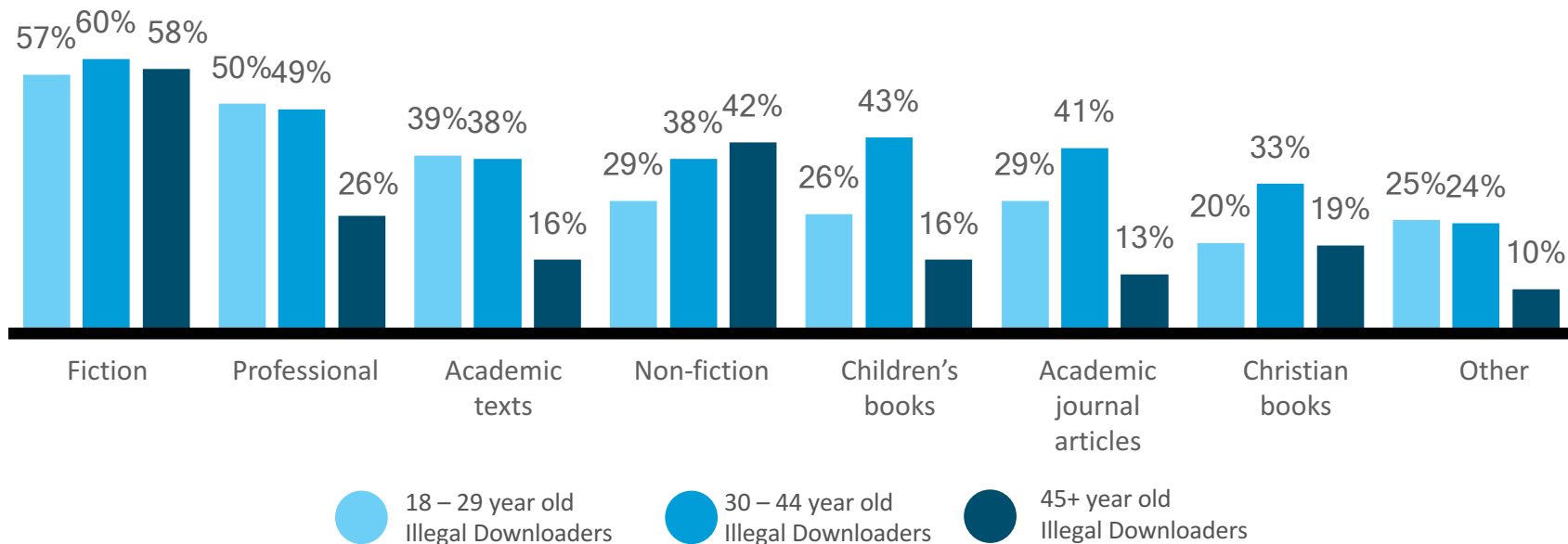**Type of Books Illegally Downloaded**

Chart: Type of Books Illegally Downloaded by age group

Category	18–29	30–44	45+
Fiction	57%	60%	58%
Professional	50%	49%	26%
Academic texts	39%	38%	16%
Non-fiction	29%	38%	42%
Children's books	26%	43%	16%
Academic journal articles	29%	41%	13%
Christian books	20%	33%	19%
Other	25%	24%	10%

- 18 – 29 year old Illegal Downloaders
- 30 – 44 year old Illegal Downloaders
- 45+ year old Illegal Downloaders

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ESTIMATING THE SIZE OF THE ILLICIT E-BOOK MARKET

METHODOLOGY FOR ARRIVING AT ESTIMATE

	Source
Total e-Book Purchasing Population	Books & Consumers
% of Illegal e-Book Downloaders	Piracy Study
Number of Illegal e-Book Downloaders	
% of Illegal e-Book Downloaders who would have Purchased the e-Book Legally	Piracy Study
Population who would have Purchased e-Books legally	
% of Illegal e-Books Downloaders Via Methods	Piracy Study
# of e-Books Downloaded per Method Per Downloader	Piracy Study
Total Number of e-Books Illegally Downloaded	
Average Price of e-Books	Books & Consumers
Total Legal e-Book Sales Lost	

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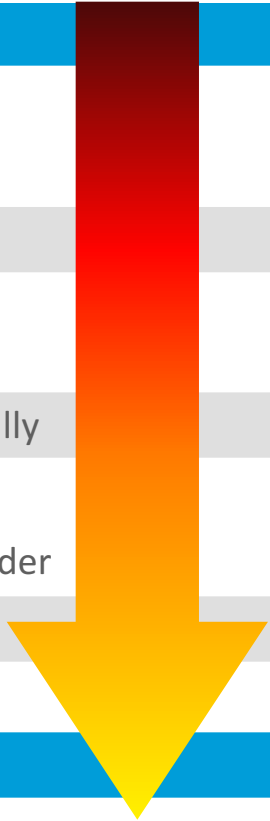
ASSUMPTIONS FOR MARKET ESTIMATE

Total e-book Purchasing Population

- The Books & Consumers Survey interviews representative sample of book purchasers in the US.

- A screener question for the study asks respondents the number of books purchased in the past year by format. 30% of the nationally representative sample said they had purchased an e-book in the past year.

- Projecting that up to the total US market, we are assuming that there are 75M e-books purchasers in a given year.

% of Illegal e-Book Purchases

- Based on the number of respondents who qualified for this study, 22% of e-book acquirers were identified as having illegally acquired an e-book in the past 12 months.

- **Caveat**: This figure is based on self-reported illegal downloading. There is a potential that this figure underrepresents the total number of illegal downloaders in the US.

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ASSUMPTIONS FOR MARKET ESTIMATE

% of Illegal e-Book Downloaders who would have Purchased the e-Book Legally

- An illegal e-book download is not always directly equivalent to the loss of a legal e-book purchase.

- While the majority of illegal downloaders said that if they had not been able to find an e-book using their preferred illegal method, they would have found it illegally elsewhere, there was still a sizeable portion who said that they would have purchased the e-book legally.

- Therefore, we are only considering the population who said that they would have legally purchased the e-book or 33% of respondents in the survey.

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ASSUMPTIONS FOR MARKET ESTIMATE

Methods for Illegally Downloading e-Books	- For this study, there are three distinct methods for illegally downloading e-books considered: from open/public cyberlockers, from resale sites (e.g., eBay), or from friends. - Amongst illegal e-book downloaders, the percent using these methods are: - Downloaded from cyberlockers / torrent sites: 51% - Obtained from friends: 45% - Acquired from online auction/resale sites: 27% **Caveat:** There are potentially other methods to illegally download e-books not included in this study. This could have an impact on the actual number of e-books downloaded.
Number of e-books downloaded per method	- Illegal downloaders self-reported the number of e-books that they downloaded in the past 12 months based on the method for downloading. **Caveat**: This figure is self-reported and could under or over estimate the actual number of e-books they download.

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ASSUMPTIONS FOR MARKET ESTIMATE

Average price of an e-book

- Using the data collected over the past year for the Books & Consumer study, the point-of-sale e-book price that consumers pay was calculated.

- This price was calculated to be $9.98

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MARKET ESTIMATE

Total e-Book Purchasing Population	75,000,000		
% of Illegal e-Book Downloaders	22%		
Number of Illegal Downloaders	16,500,000		
% of Legal e-Book Purchases Lost	33%		
# of Legal e-Book Purchases Lost	5,473,875		
% of Illegal Downloaders Via Methods	Downloaded from Cyberlockers/ Torrents	Obtained from a Friend	Acquired from online auction / resale site
	51%	45%	27%
# of e-Books Downloaded per Method Per Downloader in Past 12 Months	7.14	3.14	2.74
Total Number of Books Illegally Downloaded	31,514,064		
Average Price of e-Books	$9.98		
Total Lost of Sales Due to Illegal Downloading	**~$315,000,000**		

Note: These figures are assumptions based on the best available data.

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