

EXHIBIT D



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The rise of e-reading

21% of Americans have read an e-book. The increasing availability of e-content is prompting some to read more than in the past and to prefer buying books to borrowing them.

Lee Rainie
Director, Pew Internet Project

Kathryn Zickuhr
Research Specialist, Pew Internet Project

Kristen Purcell
Associate Director for Research, Pew Internet Project

Mary Madden
Senior Research Specialist, Pew Internet Project

Joanna Brenner
Web Coordinator, Pew Internet Project

Pew Research Center's Internet & American Life Project
1615 L St., NW – Suite 700
Washington, D.C. 20036
Phone: 202-419-4500

<http://libraries.pewinternet.org/2012/04/04/the-rise-of-e-reading/>

Summary of findings

One-fifth of American adults (21%) report that they have read an e-book in the past year, and this number increased following a gift-giving season that saw a spike in the ownership of both tablet computers and e-book reading devices such as the original Kindles and Nooks.¹ In mid-December 2011, 17% of American adults had reported they read an e-book in the previous year; by February, 2012, the share increased to 21%.

The rise of e-books in American culture is part of a larger story about a shift from printed to digital material. Using a broader definition of e-content in a survey ending in December 2011, some 43% of Americans age 16 and older say they have either read an e-book in the past year or have read other long-form content such as magazines, journals, and news articles in digital format on an e-book reader, tablet computer, regular computer, or cell phone.

Those who have taken the plunge into reading e-books stand out in almost every way from other kinds of readers. Foremost, they are relatively avid readers of books in all formats: 88% of those who read e-books in the past 12 months also read printed books.² Compared with other book readers, they read more books. They read more frequently for a host of reasons: for pleasure, for research, for current events, and for work or school. They are also more likely than others to have bought their most recent book, rather than borrowed it, and they are more likely than others to say they prefer to purchase books in general, often starting their search online.

The growing popularity of e-books and the adoption of specialized e-book reading devices are documented in a series of new nationally representative surveys by the Pew Research Center's Internet & American Life Project that look at the public's general reading habits, their consumption of print books, e-books and audiobooks, and their attitudes about the changing ways that books are made available to the public.

Most of the findings in this report come from a survey of 2,986 Americans ages 16 and older, conducted on November 16-December 21, 2011, that extensively focused on the new terrain of e-reading and people's habits and preferences. Other surveys were conducted between January 5-8 and January 12-15, 2012 to see the extent to which adoption of e-book reading devices (both tablets and e-readers) might have grown during the holiday gift-giving season and those growth figures are reported here. Finally, between January 20-February 19, 2012, we re-asked the questions about the incidence of book reading in the previous 12 months in order to see if there had been changes because the number of device owners had risen so sharply. All data cited in this report are from the November/December survey unless we specifically cite the subsequent surveys. This work was underwritten by a grant from the Bill & Melinda Gates Foundation.

Key findings:

A fifth of American adults have read an e-book in the past year and the number of e-book readers grew after a major increase in ownership of e-book reading devices and tablet computers during the holiday gift-giving season. A pre-holiday survey found that 17% of Americans age 18 and older had read an e-book in the previous 12 months and a post-holiday survey found that the number had grown to

¹ American adults age 18 and older, as of February 2012.

² Americans age 16 and older, as of December 2011.

21%. This coincides with significant increases in ownership of e-book reading devices and tablet computers over the holiday gift-giving season. Ownership of e-book readers like the original Kindle and Nook jumped from 10% in December to 19% in January and ownership of tablet computers such as iPads and Kindle Fires increased from 10% in mid-December to 19% in January. In all, 29% of Americans age 18 and older own at least one specialized device for e-book reading – either a tablet or an e-book reader.

The average reader of e-books says she has read 24 books (the mean number) in the past 12 months, compared with an average of 15 books by a non-e-book consumer. Some 78% of those ages 16 and older say they read a book in the past 12 months. Those readers report they have read an average (or mean number) of 17 books in the past year and 8 books as a median (midpoint) number.

Those who read e-books report they have read more books in all formats. They reported an average of 24 books in the previous 12 months and had a median of 13 books. Those who do not read e-books say they averaged 15 books in the previous year and the median was 6 books.

For device owners, those who own e-book readers also stand out. They say they have read an average of 24 books in the previous year (vs. 16 books by those who do not own that device). They report having read a median of 12 books (vs. 7 books by those who do not own the device).

Interestingly, there were not major differences between tablet owners and non-owners when it came to the volume of books they say they had read in the previous 12 months.

Overall, those who reported reading the most books in the past year include: women compared with men; whites compared with minorities; well-educated Americans compared with less-educated Americans; and those age 65 and older compared with younger age groups.

30% of those who read e-content say they now spend more time reading, and owners of tablets and e-book readers particularly stand out as reading more now. Some 41% of tablet owners and 35% of e-reading device owners said they are reading more since the advent of e-content. Fully 42% of readers of e-books said they are reading more now that long-form reading material is available in digital format. The longer people have owned an e-book reader or tablet, the more likely they are to say they are reading more: 41% of those who have owned either device for more than a year say they are reading more vs. 35% of those who have owned either device for less than six months who say they are reading more.

Men who own e-reading devices and e-content consumers under age 50 are particularly likely to say they are reading more.

The prevalence of e-book reading is markedly growing, but printed books still dominate the world of book readers. In our December 2011 survey, we found that 72% of American adults had read a printed book and 11% listened to an audiobook in the previous year, compared with the 17% of adults who had read an e-book.

- **There are four times more people reading e-books on a typical day now than was the case less than two years ago.** On any given day, 45% of book readers are reading a book in one format or another. And there has been a shift in the format being used by those who are reading on a typical day. In June 2010, 95% of those reading books “yesterday” were reading print books and 4% were reading e-books. In December 2011, 84% of the “yesterday” readers were reading print books and 15% were reading e-books.

- **Those who own e-book readers and tablets are avid readers of books in all formats.** On any given day, 49% of those who own e-book readers like the original Kindles and Nooks are reading an e-book. And 59% of those e-reader owners said they were reading a printed book. On any given day, 39% of tablet owners are reading an e-book and 64% were reading a printed book.

E-book reading happens across an array of devices, including smartphones. In our December survey we found that e-book readers age 16 and older were just as likely to have read an e-book on their computers as had read e-book reader devices specifically made for e-book consumption. Cell phones are reading devices, too:

- 42% of readers of e-books in the past 12 months said they consume their books on a computer
- 41% of readers of e-books consume their books on an e-book reader like original Kindles or Nooks
- 29% of readers of e-books consume their books on their cell phones
- 23% of readers of e-books consume their books on a tablet computer.³

In a head-to-head competition, people prefer e-books to printed books when they want speedy access and portability, but print wins out when people are reading to children and sharing books with others. We asked a series of questions about format preferences among the 14% of Americans age 16 and up who in the past 12 months have read both printed books and e-books.

As a rule, dual-platform readers preferred e-books when they wanted to get a book quickly, when they were traveling or commuting, and when they were looking for a wide selection. However, print was strongly preferred over e-books when it came to reading to children and sharing books with others. When asked about reading books in bed, the verdict was split: 45% prefer reading e-books in bed, while 43% prefer print.

³ Many people said they consumed e-books on several devices, so these numbers add up to more than 100%.

Part 1: Introduction

This is the first comprehensive examination of the reading habits of the general population since e-books have come to prominence.

The emergence of e-books has disrupted industries and institutions that have enjoyed relatively stable practices, policies, and businesses for decades. Widespread consumer interest in e-books began in late 2006 with the release of Sony Readers and accelerated after Amazon's Kindle was unveiled a year later. By the end of 2011, there were widespread reports about the exploding demand for e-books, both for purchases and for borrowing from libraries.

In the year ending in January 2012, the American Association of Publishers reported that e-book sales had risen more than 49.4% in the adult books category, 475.1% in the children's and young adult category, 150.7% in the religious publications category.⁵ We at the Pew Research Center's Internet & American Life Project reported that ownership of e-book readers among adults age 18 and older had nearly doubled from 10% of the population to 19% over the holiday gift-giving season at the end of 2011, and ownership of tablet computers had surged a similar amount.⁶ In the final week of 2011 the e-book version of 42 of the top-selling 50 books on USA Today's best-seller book list was outselling the paper version of the same book.⁷

All this ferment is changing the way many people discover and read books.

About this research

To understand the place e-reading has in Americans' evolving reading habits, the Bill & Melinda Gates Foundation has given the Pew Internet Project a grant to study this shifting digital terrain. That would include exploration of gadgets like e-book readers and tablet computers, applications that allow people to consume books and other media in new formats, mobile connectivity that facilitates access to media anywhere and anytime, and the evolving role of libraries in their communities. We hope this work will be useful to library patrons and librarians in discerning how libraries can serve their constituents in a world where "books" are becoming very different from what they have traditionally been; newspapers draw bigger audiences online than they do in print; maps are becoming multimedia productions; magazines and journals are structured to facilitate conversations; historical artifacts can be understood in new ways; digital databases can be accessed on the fly from smartphones and tablets; and knowledge-creation itself is becoming a crowdsourced activity of aggregating networked information. Libraries have traditionally played a key role in the civic and social life of their communities, and this work is aimed at understanding the way that changes in consumer behavior and library offerings might affect that unique relationship between libraries and communities.

This report is part of the first phase of that Gates Foundation-funded research: an analysis of the way people read in the digital era – especially the way they read books.⁸ Subsequent reports will cover how

⁵ See <http://publishers.org/press/62/>

⁶ See <http://pewinternet.org/Reports/2012/E-readers-and-tablets.aspx>.

⁷ "E-books make their mark." USA Today. <http://www.usatoday.com/life/books/news/story/2012-01-09/ebooks-sales-surge/52458672/1>

⁸ Later in this first phase of the work, we will survey librarians and library patrons about the role of e-books in libraries. In the second phase of the work later in 2012, we will conduct focus groups with librarians and patrons

Book consumption in any format: Print books still dominate, but e-books have a notable audience now and audiobooks have fans too

Book-reading habits have changed over time. In broad strokes, fewer people are reading books now than in 1978, but the data have fluctuated over time. The Gallup organization's surveys of adults age 18 and older over the decades highlight those shifts. In the first Gallup survey in the summer of 1978, 12% of adults said they had not read a book in the previous 12 months or refused to answer a question about book reading. That compares with 22% who told us they had not read a book in the previous 12 months or didn't answer a book-reading question in December 2011. During the span of polling about book reading, the most dramatic shift occurred between the 1978 Gallup poll and a similar one in 1990, as the table below shows:

Book reading trends over time

% of adults (age 18+) who say they have read this number of books in the past 12 months

	Pew Internet 12/2011	Gallup 5/2005	Gallup 12/2001	Gallup 9/1999	Gallup 12/1990	Gallup 7/1978
None	19%	16%	13%	13%	16%	8%
1-5 books	32	38	38	30	32	29
6-10 books	15	14	16	16	15	17
11-50 books	26	25	23	31	27	29
>50 books	5	6	8	7	7	13
Don't know - refused	3	1	1	2	3	4
Mean	17	14.2	14.5	17	11	n/a
Median	8	5	5	7	6	n/a

Source: Gallup surveys and Pew Research Center's Internet & American Life Reading Habits Survey, November 16-December 21, 2011. N=2,986 respondents age 16 and older. Interviews were conducted in English and Spanish and on landline and cells. The margin of error for the sample is +/- 2 percentage points.

Our question was somewhat different from Gallup's in that we asked respondents whether they had read any books in the past 12 months in print, via audiobook, or an e-book. We also asked 16- and 17-year-olds. Some 78% of those 16 and older had read at least one book in any format in the previous 12 months, compared with 88% in the 1978 Gallup survey of adults. In our December survey, looking at the general population, 72% of Americans age 16 and older read at least one book in the past year in print; 16% read at least one e-book; 11% listened to at least one audiobook. The figures for adults 18 and older in that survey were the same, except it was 17% who had read an e-book.

When we re-asked the question of adults 18 and older in a survey from January 20-February 19, 2012, the number of readers of e-books in the previous year had increased to 21%.

In their technology profiles, these different categories of readers have somewhat different ownership and use levels. Medium and frequent readers are more likely than infrequent readers to own e-book readers. Medium readers are also a bit more likely than infrequent or frequent readers to be internet users, and slightly more likely to own cell phones.

In their reading habits, frequent readers are more likely than others to read for pleasure: 74% of frequent readers read for pleasure every day, compared with 43% of medium and 23% of infrequent readers who read for pleasure that often. Medium readers are more likely than others to read frequently for work or school. At the same time, frequent and medium readers are equally as likely to read every day to keep up with current events and to read for purposes of researching specific topics they are interested in.

Some 45% of book readers say they read a book in the past day – and the number of adults reading e-books on any given day has jumped dramatically since 2010

In our full sample from December 2011, including 16- and 17-year-olds, 45% of the book readers said they were reading the book the day before we contacted them in the survey. We often say that survey results like this present a picture of a “typical” or “average” day. If we only include those ages 18 and older in the sample, 44% of adults who read books were reading a book on a typical day – a figure that has changed little from the figures collected among book readers by the Pew Research Center for the People & the Press since 1994.¹⁰

Still, there has been a noteworthy change in the formats of the books being read on any given day.¹¹ In June 2010, 95% of the book readers “yesterday” were reading print books and 4% were reading e-books. By December 2011 in our survey, 84% of the “yesterday” readers were reading print books and 15% were reading e-books. The shift toward e-book reading on a typical day is being driven by those who are college educated, those living in higher-income households, and those ages 30-49. Those groups disproportionately report they were reading e-books yesterday.

¹⁰ The latest figures were collected in a June 2010 survey. Pew Research Center for the People and the Press. Question wording for book readers was “There are different ways people read books these days. Yesterday, did you read a printed book, an electronic or digital book, or listen to an audiobook?” Available at: <http://www.people-press.org/2010/09/12/section-3-news-attitudes-and-habits/>

¹¹ Data in this paragraph is for adults age 18 and older.