

An overview of the digital publishing market in Baltic countries (Estonia, Latvia and Lithuania)

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Summary

The aim of this paper is to analyze several aspects of digital publishing markets in Baltic countries. Estonia, Latvia and Lithuania have their own languages, so there are three different publishing markets. Results show that there are significant differences in the number of available titles, despite the fact that the Baltic e-book market is relatively new. The research on e-book sales identified the main e-book retailers and publishers in Baltic countries. E-books in Lithuanian, Latvian and Estonian available on sale were counted and the differences between e-book formats and the pricing in each country were established. The results showed that the smallest Baltic country, Estonia, has more e-books on sale than both Latvia and Lithuania. It is difficult to say if Latvia even has an e-book market at all. Lithuania is somewhere in the middle. Finally, an overview of the largest retailers and publishers is provided and overall publishing dynamics within the past 20 years is described.

KEYWORDS: digital publishing, e-books, digital books, e-book stores, e-book retailers, e-book publishers, Baltic countries, Estonia, Latvia, Lithuania.

Introduction

All three Baltic countries, Estonia, Latvia and Lithuania are sometimes treated as a single market, but this cannot be applied to book publishing. Each country has their own language, so there are three publishing markets. The population (data from January 1, 2013) of Estonia is 1.3 million (Statistics Estonia 2013), Latvia - 2 million (Central Statistical Bureau of Latvia 2013) and Lithuania 3 million (Statistics Lithuania 2013).

Internet bookstores selling printed books have been present in all Baltic countries for a long time. The e-book phenomena appeared recently. A lot

of different digital devices with e-book reading functions are sold in Estonia, Latvia and Lithuania. The research sought to determine the status of e-books in Baltic countries and the amount of content available in Estonian, Latvian and Lithuanian. The objectives of the study are:

- to identify the main e-book retailers in Baltic countries
- to identify the largest e-book publishers in Baltic countries
- to estimate the number of e-book titles in Estonian, Latvian and Lithuanian languages available for sale
- to determine the differences in e-book prices among the markets in Baltic countries
- to establish the most popular e-book format in Baltic countries.

The digital publishing market in Baltic countries (Estonia, Latvia and Lithuania) was analyzed in order to find the answers. E-book sales research was conducted, identifying the main e-book stores in each country. E-books in Lithuanian, Latvian and Estonian languages available for sale were counted by extracting actual titles with all information (author, title, price, format, year of publishing, publisher) available from internet bookstores. The leading publishers were identified along with e-book prices and their most popular formats. In order to compare prices in all three countries, the prices were divided into three categories: up to 3 EUR, 3 to 6 EUR and more than 6 EUR. Free e-books (with 0 EUR price) were also counted. Finally, the paper describes the overall publishing dynamics in Baltic countries in the past 20 years. This research does not include e-books published by academic institutions (mainly with print ready PDF's on their own partly closed platforms).

The Baltic countries: three markets

Lithuania

The research on e-book stores in Lithuania was conducted on 1 July 2013. The largest identified Lithuanian e-book stores are:

- skaitykle.lt
- knygute.lt
- knygos.lt / eknygos.lrytas.lt
- pegasas.ekps.lt / eknygos.delfi.lt

Skaitykle.lt was the first e-bookstore which introduced fiction e-books into the Lithuanian market on January 2010. E-books from 56 different publishers were on sale: Alma Littera (239 titles), Svajonių knygos (139), Luceo (46), Eugrimas (28), Versus aureus (25) and many others. Skaitykle.lt was the only store in Lithuania selling e-books in MOBI format (more than 50% of titles were available in MOBI formats), although all e-books were available in EPUB format as well. The second one was knygute.lt, selling mostly from the science fiction publisher Eridanas (373 titles) and the love fiction publisher Svajonių knygos (151 books). Almost

all knygute.lt e-books are available in two formats: PDF and EPUB. At the end of 2012, one of the biggest internet retailers of printed books, knygos.lt, introduced an e-book store in cooperation with one of the biggest Lithuanian news portals lrytas.lt. Knygos.lt sells e-books from 39 different publishers: Alma Littera (334 titles), Svajonių knygos (130), Obuolys (62) and others. Pegasas.ekps.lt (part of the biggest publishing group in Lithuania, Alma Littera) followed the same approach and shared all e-books with the news portal delfi.lt a few months after entering the e-books market. E-books from 15 different publishers can be found: Alma Littera (330 titles), Media Incognito (56), Svajonių knygos (130) and others. Knygos.lt and pegasas.ekps.lt sell almost all e-books in EPUB format only (with a few exceptions in PDF).



Figure 1: Number of e-book titles sold in Lithuania (1 July 2013)

As shown in the Figure 1, all four retailers offer approximately the same amount of e-book titles. Skaitykle.lt is the leader with 778 titles, but the other retailers are not far behind with only a couple of hundred titles less: knygos.lt (665), pegasas.ekps.lt (578) and knygute.lt (554). The number of unique titles was also determined to be about 1300 in all four e-book stores.

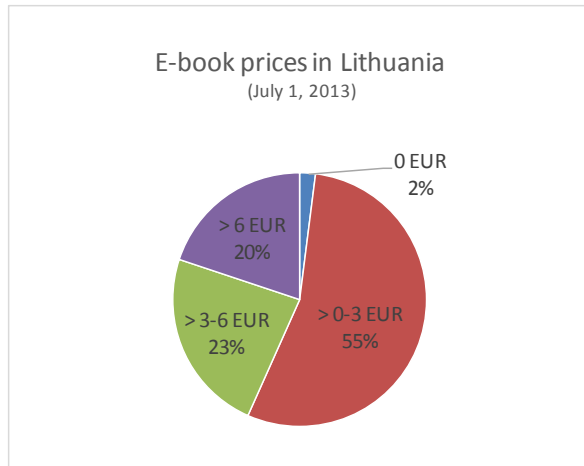


Figure 2: E-book prices in Lithuania (1 July 2013)

In Lithuania, more than half of all e-books (55%) are within the 3–6 EUR price range (see Figure 2). 23% e-books cost from 3–6 EUR and 20% cost over 6 EUR. The average e-book price is 4.2 EUR. The most expensive e-book on the market costs 12.1 EUR (Antony Beevor, *Stalingradas*. EPUB, Alma littera, 2012). About 2% of all e-books (from all titles) are free: each e-book store has some free e-books, mostly classics, which are out of copyright.

Latvia

The research on e-book stores in Latvia was conducted on 1 September 2013. Three largest Latvian e-books stores were identified – less than in Lithuania, although the Lithuanian population is 50% bigger than Latvian:

- zvaigzne.lv
- e-gramatas.lv
- egramata.lv

The e-book store zvaigzne.lv is owned by the largest Latvian book publisher Zvaigzne ABC Publishers Ltd. The company publishes printed books, an educational magazine and e-books. Zvaigzne ABC cooperates with the major publishing houses all over the world; for instance, Alma Littera (Lithuania), Tea, Koolibri (Estonia), Pearson Education, Usborne Publishing (UK) and many others. E-gramatas.lv belongs to Burtlicis company, specializing in e-books in EPUB and MOBI formats. E-book store egramata.lv still has beta status and belongs to company SIA eGrāmata which is also not a publisher, but specializes in selling e-books.

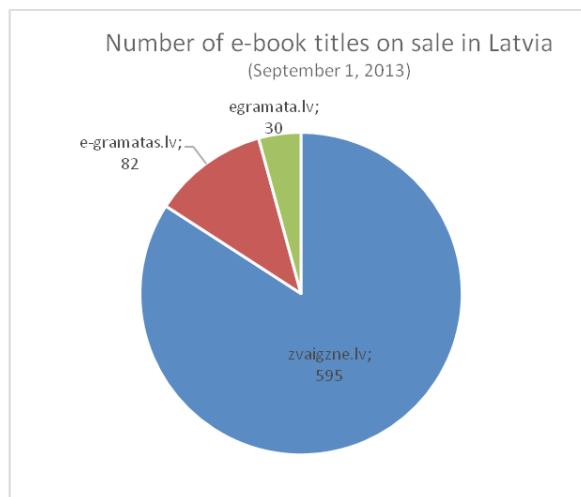


Figure 3: Number of e-book titles on sale in Latvia (1 September 2013)

The three e-book stores had very different number of titles (see Figure 3). zvaigzne.lv is the absolute leader with 595 e-books. Their website zvaigzne.lv only features the e-books they publish. All zvaigzne.lv e-books are protected by

Adobe DRM and available in two formats: EPUB or PDF. Some of the e-books are also sold in Apple's iBookstore. e-gramatas.lv, the second biggest e-book store in Latvia, with only 82 e-books for sale. All e-books are in both EPUB and MOBI formats with preview download available. Twelve different publishers offer their e-books in this store: Kontinents (27 titles), Atēna (18), Jumava (10), Avots (7), Ameija (5), The White Book (5), Ali S (4) and others with only a few e-books for sale. Egramata.lv is a very small e-book store – it offers only 30 e-books, all in PDF format. Eleven different publishers sell their e-books through this bookstore: Kontinents (10 titles), Avots (5), and others with just one e-book each.

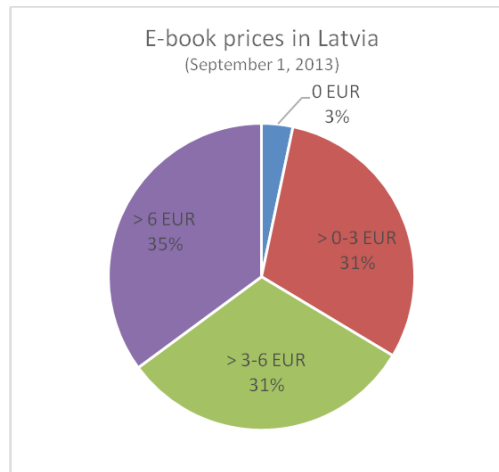


Figure 4: E-book prices in Latvia (1 September 2013)

After duplicated titles were removed from the list, it was determined that the number of unique e-book titles in Latvia was around 700, which was almost 50% less than in Lithuania.

E-books pricing is also different than in Lithuania (see Figure 4). In Lithuania, more than half e-books cost between 0 and 3 EUR, In Latvia, e-books are distributed equally among the three price categories; 31% (0–3 EUR), 31% (3–6 EUR) and 35% (more than 6 EUR). The average e-book price is higher than in Lithuania – up to 5.0 EUR. The most expensive e-book costs 20.0 EUR (Elisa Šrēdere, *Sniega bumba. Vorens Bafets un dzīves bizness*. Zvaigzne ABC). The number of free e-books is similar to that in Lithuania – around 3% of the total number of e-books.

Estonia

The research was conducted on 1 September 2013 and it identified five main Estonian e-book stores:

- kriso.ee (Krisostomus)
- apollo.ee (Apollo)
- rahvaraamat.ee (Rahva Raamat)

- edrkpood.live.edrk.ee (Eesti Digiraamatute Keskuse)
- e-books.ee (Ersen, Harlequin)

The results showed that despite having half of the population of Lithuania, Estonia has more e-book stores.

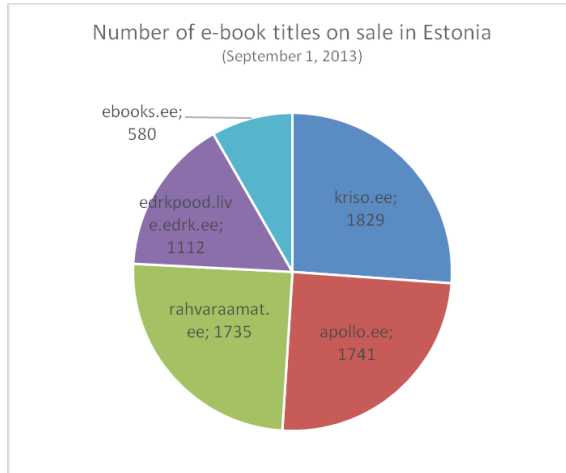


Figure 5: Number of e-book titles on sale in Estonia (1 September 2013)

Krisostomus (kriso.ee) bookstore is a major importer of foreign language printed books for Estonia, Latvia as well as some other countries. The company also provides an EBL (E-book Library), an e-book lending platform for libraries. Apollo (apollo.ee) is the largest entertainment and bookstore chain in Estonia. The stores are based in the largest Estonian cities. The e-book store was launched in March 2012. Rahva Raamat (rahvaraamat.ee) is a bookstore specializing in history, established in 1912. Today the company is a large retailer and wholesaler of books with seven stores in five towns, along with internet bookstores and e-book stores. Rahva Raamat also offers about 200,000 e-books in English. Eesti Digiraamatute Keskuse (Estonian Centre for Digital Books, edrkpood.live.edrk.ee) is an independent company which collaborates with a wide range of publishers and booksellers in e-books distribution. The company has developed a comprehensive e-book sales network. E-books.ee is a project of the Estonian publisher Ersen together with Canadian publishing house Harlequin intended for Estonian-language e-book distributing in the Estonian market.

As shown in Figure 5, there is quite a fierce competition between Estonian e-book stores. According to 1 September 2013 data, three stores had a very similar number of titles and two stores were just behind them.

Krisostomus had 1,829 titles for sale (almost all in EPUB format and just 99 titles in PDF), by various publishers: Varrak (222 titles), FUTU Print OÜ (206), Kultuurileht SA (100), Hea Lugu (96), Loomingu Raamatukogu (86), Eesti Rahvusringhääling (85), Petrone Print (77), Tänapäev (77), Kirjastus Fantaasia OÜ (68) and others.

Apollo had 1,741 titles for sale (300 of which were free), mostly in EPUB format, by various Estonian publishers. Rahva Raamat is in third place with 1,735 titles for sale, their e-books are in EPUB and PDF formats and are protected by social DRM (Digital Rights Management) or Adobe DRM. Estonian Digital Book Centre had 1,122 e-books in their e-book store, by various publishers: Varrak (255 titles), Hea Lugu (102), Tänapäev (80), Petrone Print (78), Kirjastus Fantaasia OÜ (70), Eesti Digiraamatute Keskus OÜ (70), Menu Kirjastus OÜ (44), Eesti Raamat (38), Odamees OÜ (29) and others. The smallest store is e-books.ee, with 580 titles, which is much less than the other four e-book stores. The number of unique titles in Estonia (on 1 September 2013) was about 3200 – more than double than in Lithuania and almost five times more than in Latvia.

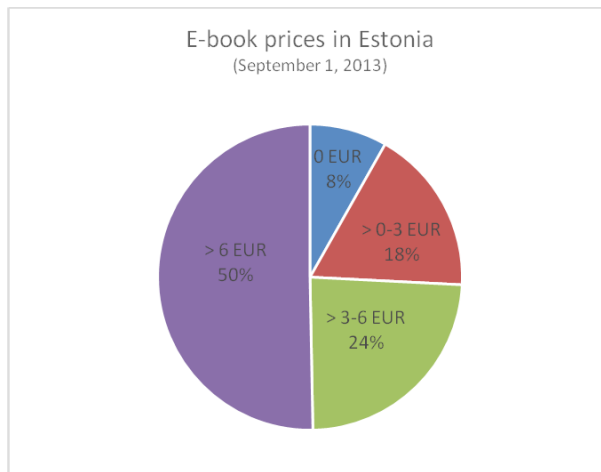


Figure 6: E-book prices in Estonia (1 September 2013)

E-book prices in Estonia are the highest among Baltic countries (see Figure 6). Most e-books cost more than 6 EUR. The average e-book price is 6.7 EUR – which is the highest rate among Baltic countries. The most expensive e-book costs 66.0 EUR (*Karistusseedustik: Kommenteeritud väljaanne*, Juura, 2011). Estonians have a lot of free e-books – about 8% of all titles are free.

The Baltic countries: differences and similarities

Number of unique e-book titles on sale

The number of e-books on sale showed differences among the three countries of the Baltic market (see Figure 7). Estonia has the highest number of e-book titles available, and the most competitive retail climate. Latvia has only one retailer (also the biggest publisher in Latvia) selling only their own e-books. So it is difficult to say if Latvia actually has an e-book market. Lithuania is somewhere in the middle.

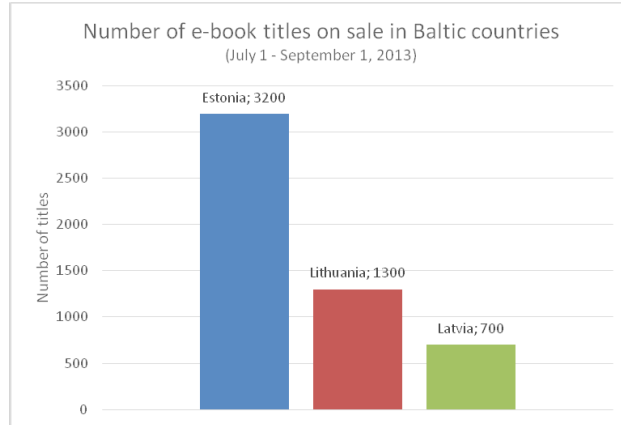


Figure 7: Number of e-book titles on sale in Baltic countries (1 July - 1 September 2013)

The smallest Baltic country, Estonia, has more e-books available than both Latvia and Lithuania. It is interesting to compare these numbers with the average reading time. Statistically, an Estonian citizen reads books 39 minutes per day, a Latvian 28 minutes and a Lithuanian reads only 23 minutes per day (Eurostat 2013). There might be a correlation between the fact that Estonia has the largest e-book market among the Baltic countries and the longest average reading time. Although Latvians read a little bit more than Lithuanians, they have a very small number of e-books, even compared to Lithuania. Maybe there is a connection between the economic situation in the country and the number of e-books available? Latvia was heavily affected by the crisis of 2008. Estonia survived the crisis quite well. But after all – the choice of e-books in Estonia is also very small, especially considering that traditional Estonian bookstores typically feature between 10 and 15 thousand printed books.

E-books prices and formats

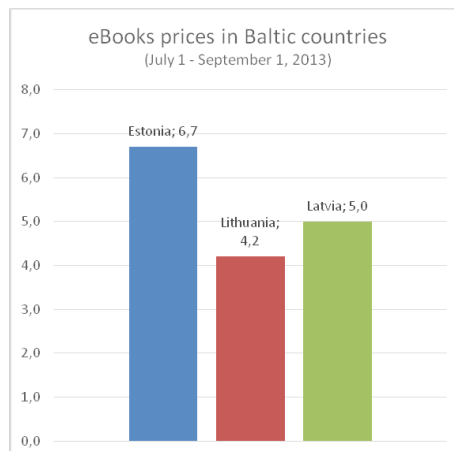


Figure 8: E-book prices in Baltic countries (1 July - 1 September 2013)

At first glance (see Figure 8) it seems that e-books are cheapest in Lithuania and most expensive in Estonia (the difference in the average price is about 33%). But if we take different average wages into account (data from the first half of 2013 shows the average wages before taxes in Estonia were 976 EUR, in Latvia – 716, in Lithuania 653) in Baltic countries the average citizen of Estonia can buy 145, a Latvian 143 and a Lithuanian 155 e-books. The number of e-books available according to income is very similar among the three countries, but e-books are slightly more affordable to Lithuanians.

The most popular e-book format is EPUB 2.0. Some publishers are still using the PDF format. About 20% of all titles are available in PDF. The MOBI format is used only by *skaitykle.lt* in Lithuania and *e-gramatas.lv* in Latvia.

Comparison: printed vs. digital

Printed and digital books publishing dynamics are shown in Figure 9. Despite the population decline in Baltic countries (from nearly 8 million people in 1992 to less than 6.5 million in 2013, a phenomenon also known as „The Baltic Demographic Disaster“), more books were published in 2013 than 20 years ago. There is an obvious decline in the number of printed books published after 2008 (peak of the financial crisis). The e-book publishing started to emerge around the same time (taking into account only downloadable e-books, but not transportable media, like CDs and DVDs). The printed book publishing in Lithuania and Estonia started to recover in 2010, but there are still no noticeable signs of recovery in Latvia. More printed books are published in Estonia than in Lithuania, while the situation was opposite before the crisis.

In 2012, e-books constituted 10% of all published titles in Lithuania, 19% in Estonia and 11% in Latvia. More than 90% of e-books also had a printed version, mostly released a year or more before the digital version.



Figure 9: Publishing dynamics in Baltic countries (1990-2012). Academic publishers' e-books are not included (mainly with print ready PDF's). Printed books and e-books (except Lithuanian e-books) statistical data come from Lithuanian National bibliographic database, National Library of Estonia E-catalogue ESTER and National bibliography database of Latvia.

There are also problems with e-book publishing statistics, mainly in Lithuania. Namely, published e-books are not listed in the Lithuanian National Bibliographic Database (libis.lt:8082) and cannot be found by searching the database. Almost all Latvian e-books can be found in The National Bibliography Database (lira.lanet.lv/F). They are arranged in categories, but could be found next to title note "e-grāmata"(e-book). The National Library of Estonia also collects e-book statistics in their E-catalogue ESTER (tallinn.ester.ee). They are not arranged into categories either, but could be found by entering a key word "e-raamatud" (e-book).

E-book publishers

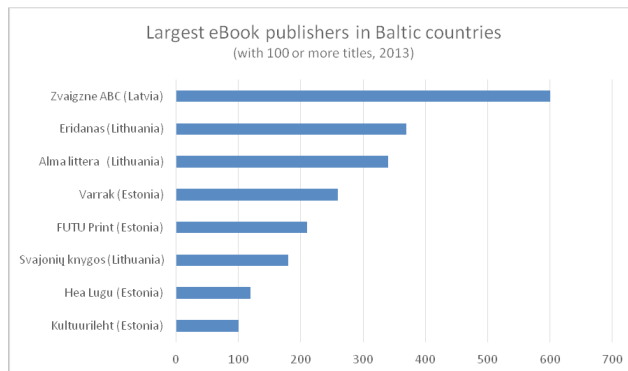


Figure 10: Largest e-book publishers in Baltic countries (with 100 or more titles, 2013)

Figure 10 shows the biggest e-book publishers (with more than 100 titles by 1 September 2013) in the Baltic states. Although Latvia has the smallest number of e-book titles in the market, Latvian publisher Zvaigzne ABC is the biggest e-book publisher in the Baltic market (about 600 titles). Two Lithuanian publishers are following with a big lag – Eridanas (370) and Alma Littera (340). Then there are the two Estonian publishers – Varrak (260) and Futu Print (210) along with Lithuanian Svajonių knygos (180). The list is concluded by Estonian publishers Hea Lugu (120) and Kultuurileht (100).

Conclusion

The research resulted in six main conclusions:

- 1) Although the Baltic countries e-book markets are still in starting positions, there are noticeable differences in the number of titles available in each country. Estonians have 3 large and 2 middle-sized book stores with approximately 3,200 unique titles. Lithuanians have 4 middle-sized-book stores with approximately 1,300 unique titles. Latvians have 1 middle-sized book store with approximately 700 titles.

2) All of the largest (by number of titles) e-book retailers in Baltic countries are from Estonia: kriso.ee (Krisostomus), apollo.ee (Apollo) and rahvaraamat.ee (Rahva Raamat) with 1,700–1,800 titles. Lithuania has four mid-sized retailers (skaitykle.lt, knygute.lt, knygos.lt and pegasas.ekps.lt), whereas Latvia only has one (zvaigzne.lv).

3) Largest (by number of titles) e-book publishers in Baltic countries are Zvaigzne ABC (Latvia), Alma Littera and Eridanas (Lithuania) and Varrak (Estonia).

4) E-books are cheapest in Lithuania (average 4.2 EUR), followed by Latvia (5 EUR) and finally Estonia (6.7 EUR).

5) Almost all e-books are available in EPUB format. Some retailers use PDF and MOBI.

6) There is no reliable market data on the income share of e-books.

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Sažetak

Tržište elektroničkih knjiga u baltičkim zemljama (Estonija, Latvija i Litva)

Estonija, Latvija i Litva su, slijedom jezičnih razlika, ujedno i tri različita nakladnička tržišta. Rezultati istraživanja predstavljenog u ovom radu pokazuju da je razvoj tržišta elektroničkim knjigama ondje u početnoj fazi, iako su već sada razvidne goleme razlike u broju dostupnih naslova. Estonija ima 3 velike i 2 srednje e-knjižare s približno 3200 jedinstvenih naslova, Litva ima 3 e-knjižare srednje veličine s 1300, a Latvija 1 knjižaru, također srednje veličine, s okvirno 700 jedinstvenih naslova u ponudi, pa je teško reći da ondje postoji razvijenije tržište e-knjigama. Estonija, kao najmanja baltička država, nudi više e-knjiga od Litve i Latvije zajedno. E-knjige su najjeftinije u Litvi, a najskuplje u Estoniji. Međutim, ako se u obzir uzme prosječna plaća u različitim državama,

broj e-knjiga koje prosječni građanin može kupiti u obje je države podjednak. Najpopularniji e-format je EPUB 2.0, iako pojedini nakladnici koriste PDF i MOBI formate. Najveći prodavači e-knjiga dolaze iz Estonije, riječ je o tvrtkama kriso.ee (Krisostomus), apollo.ee (Apollo) i rahvaraamat.ee (Rahva Raamat) s 1700 – 1800 naslova u ponudi. U Litvi djeluju skaitykle.lt, knygute.lt, knygos.lt i pegasas.ekps.lt, a u Latviji samo zvaigzne.lv. Najzastupljeniji nakladnici su Zvaigzne ABC iz Latvije, Alma Littera i Eridanas iz Litve i Varrak iz Estonije. Iako se broj stanovništva u baltičkim zemljama smanjio s otprilike 8 000 000 u 1992. na manje od 6 500 000 u 2013., više je knjiga objavljeno 2013. nego prije 20 godina. Pad broja objavljenih knjiga razvidan je, uslijed krize, nakon 2008., a u isto vrijeme počeo je razvoj tržišta e-knjigama. Nakon 2010. nakladništvo tiskanih knjiga počelo se u Litvi i Estoniji oporavljati, dok u Latviji još uvijek nema naznaka oporavka. Godine 2012. udio e-knjiga u nakladničkoj produkciji u Litvi je bio 10%, u Estoniji 19%, a u Latviji 11%. Najveći broj e-knjiga, preko 90%, objavljen je i u tiskanom obliku, najčešće godinu ili više prije digitalne inačice. Pouzdanih podataka o prihodima nakladnika i knjižara od prodaje e-knjiga za sada nema.

KLJUČNE RIJEČI: e-nakladništvo, e-knjige, distribucija e-knjiga, nakladnici e-knjiga, Baltik, Estonija, Latvija, Litva.