



# Inside the Mind of a Book Pirate

Winter/Spring, 2017

# TABLE OF CONTENTS

Background, Objectives, Methodology

Executive Summary

State of Illegal e-Book Downloading

Deep Dive into Obtaining e-Books via Public/Open  
Torrent Sites

Estimating the Size of the Illicit e-Book Market

# 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.

# EXECUTIVE SUMMARY



**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.




**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.



**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.

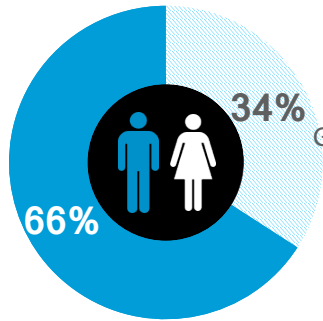


STATE OF  
ILLEGAL E-BOOK  
DOWNLOADING

# WHO ARE ILLEGAL DOWNLOADERS?



## GENDER



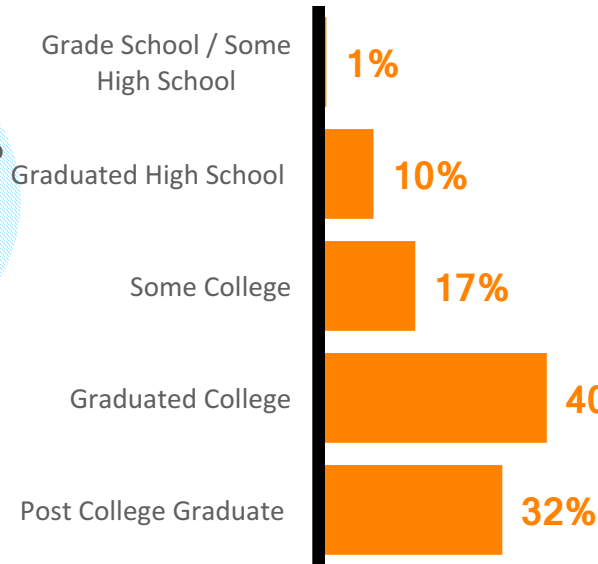
Male



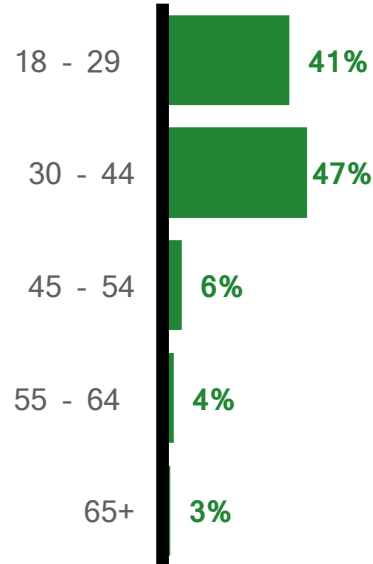
Female



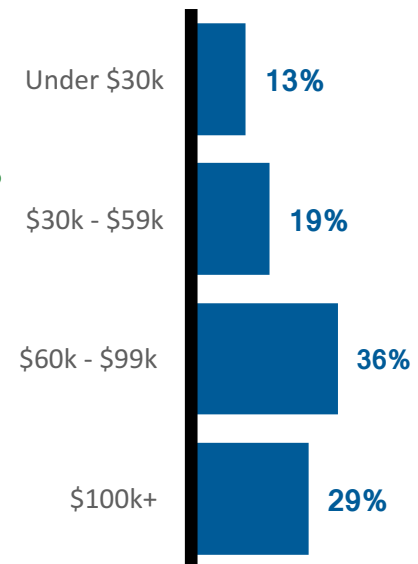
## EDUCATION



## AGE



## INCOME



# 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%**

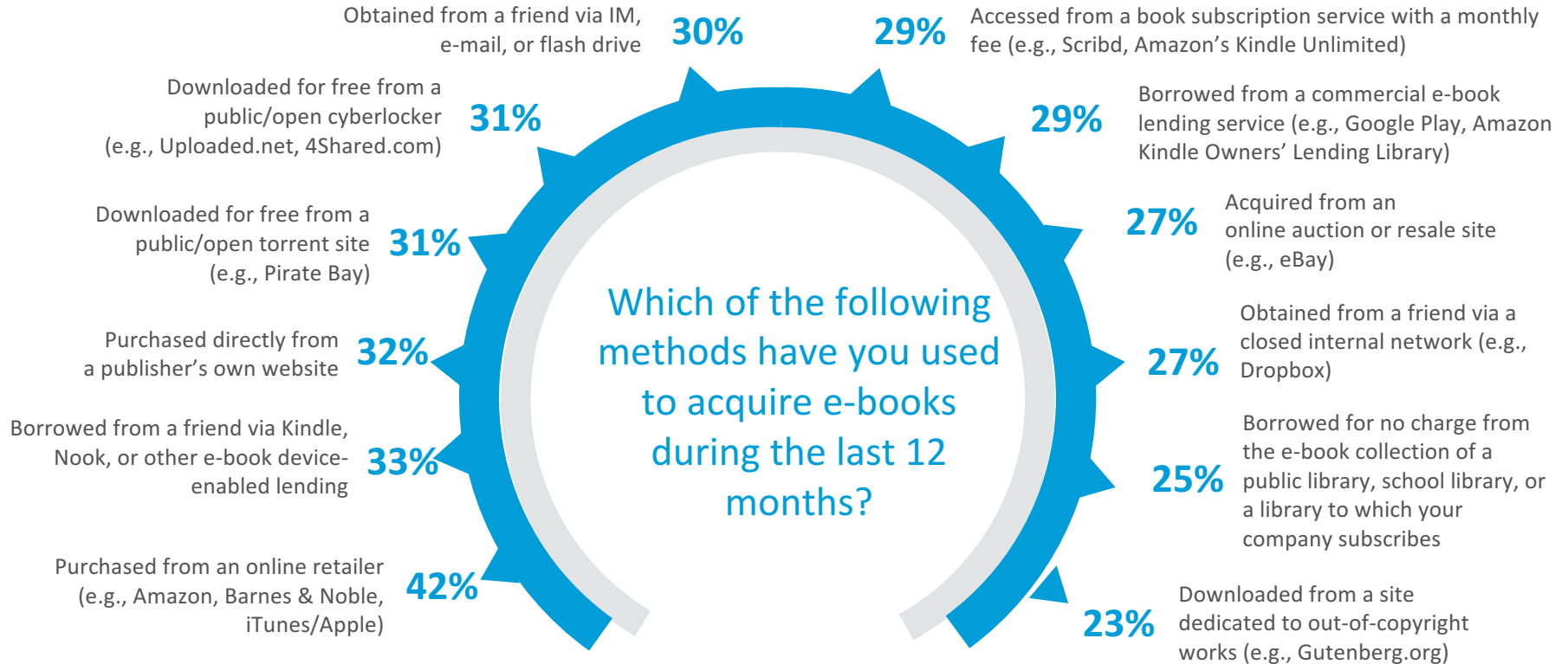
Acquired from an online auction or resale site (e.g., eBay)



**27%**

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

# BUT THEY ARE ALSO LIKELY TO PURCHASE E-BOOKS LEGALLY

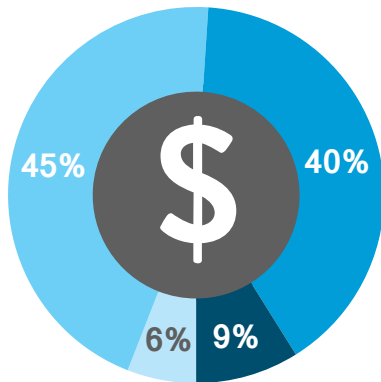




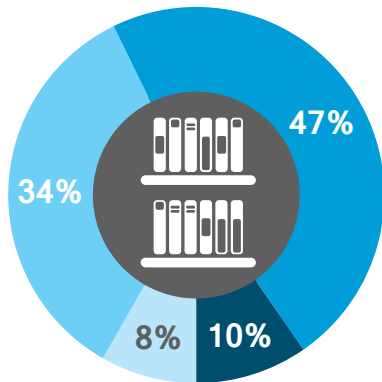
# COMPARED TO LEGAL METHODS, FINDING E-BOOKS IS FASTEST WHEN OBTAINING THEM FROM FRIENDS



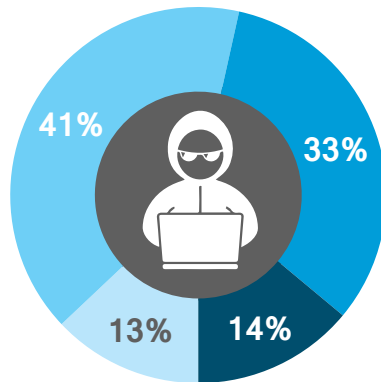
## How Long Takes to Find e-Books by Method



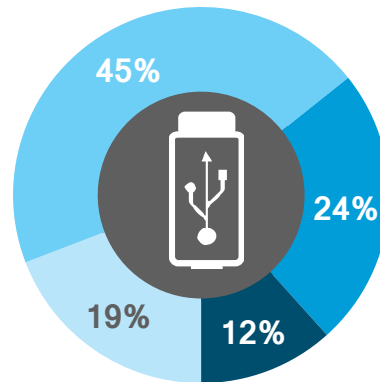
Purchased via Online Retailer



Borrowed from a Library



Downloaded from Cyberlockers, Torrents, and/or Filesharing Sites



Obtained from a friend via IM, e-mail, flash drive, or a closed internal network

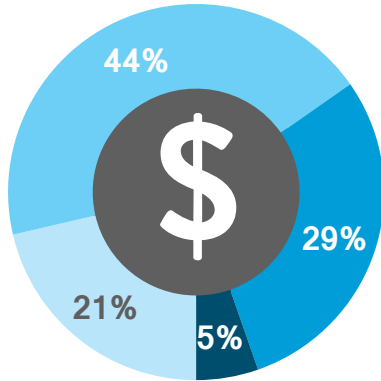


NPD Piracy Digimarc Report MQ3/MQ5/MQ7/MQ12. How long, on average, would you say it takes you to find the e-book/s you required from the online retailers or a publishers own website that you use/when you borrow them from the public, school or company library you use/from cyberlockers, torrents, online-reading sites, and/or other filesharing sites (e.g., The Pirate Bay, Uploaded.net, or 4Shared.com)/that are obtained from a friend via IM, e-mail, flash drive, or a closed internal network like Dropbox or other cloud-based systems? Base: By Downloader Type (n varies)

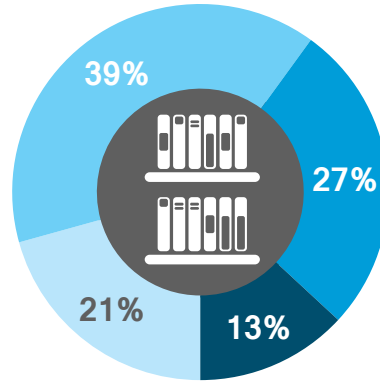
# DOWNLOAD TIMES ARE SIMILAR ACROSS ALL METHODS



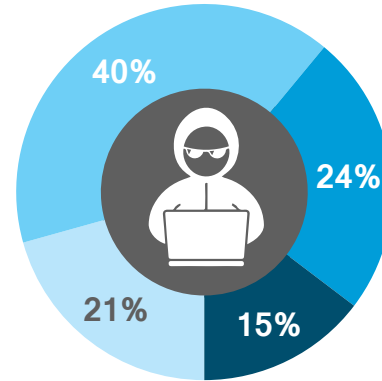
## How Long it Takes to Download e-Books by Method



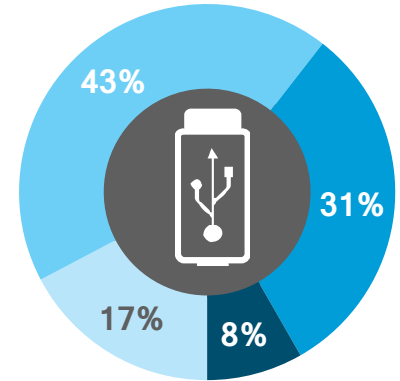
Purchased via Online Retailer



Borrowed from a Library




Downloaded from Cyberlockers, Torrents, and/or Filesharing Sites



Obtained from a friend via IM, e-mail, flash drive, or a closed internal network



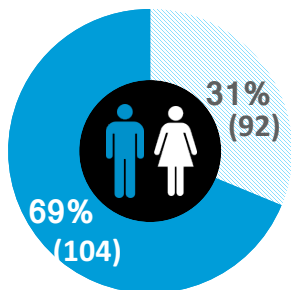


DEEP DIVE  
INTO OBTAINING  
E-BOOKS  
VIA PUBLIC/OPEN  
TORRENT SITE

# WHO ARE TORRENT SITE DOWNLOADERS?



## GENDER

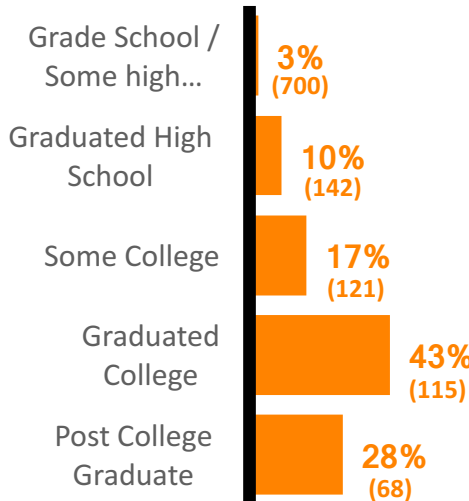


Male

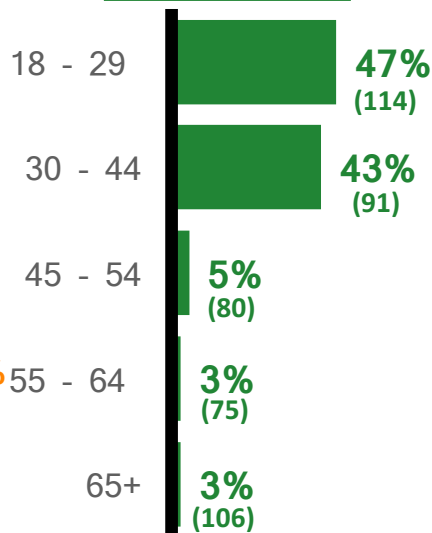
Female



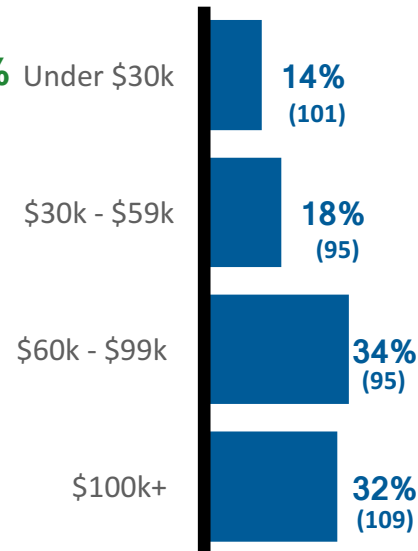
## EDUCATION



## AGE



## INCOME

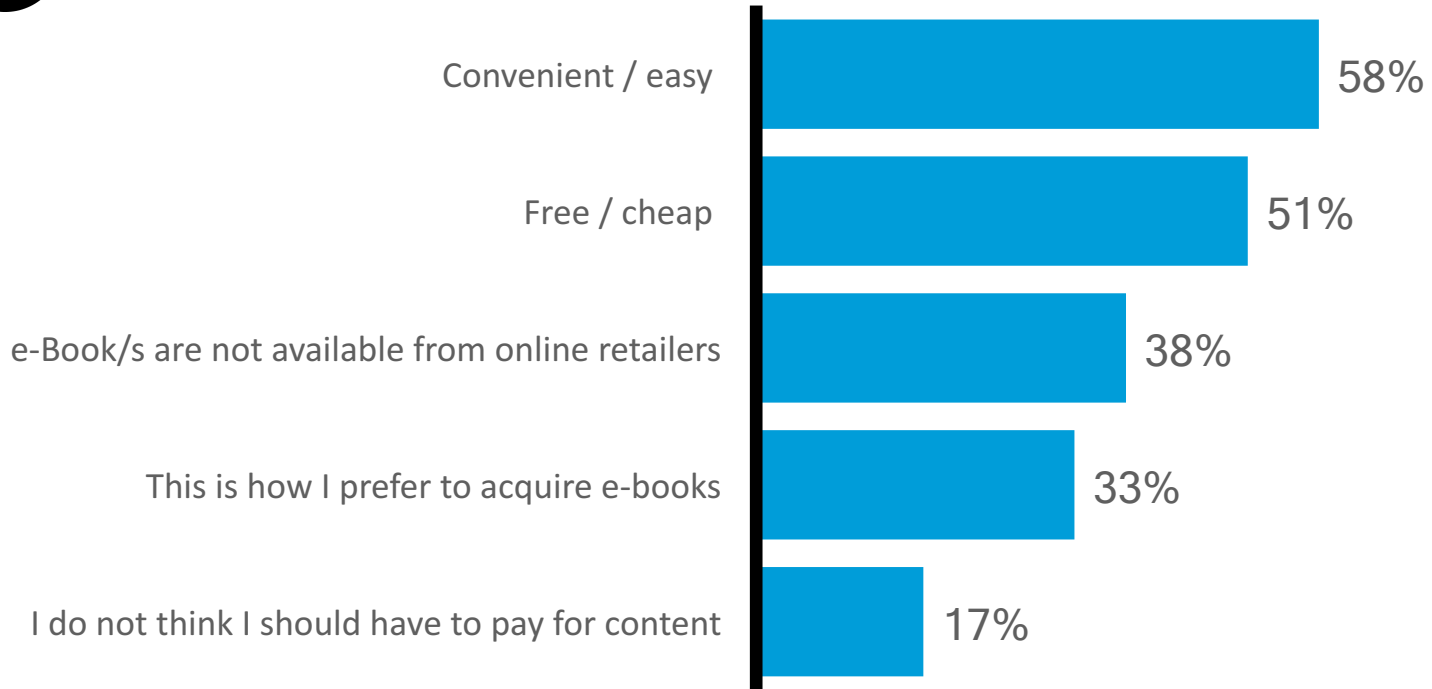


Indices are relative to all illegal downloading respondents

# THIS PROCESS IS DRIVEN BY CONVENIENCE AND EASE



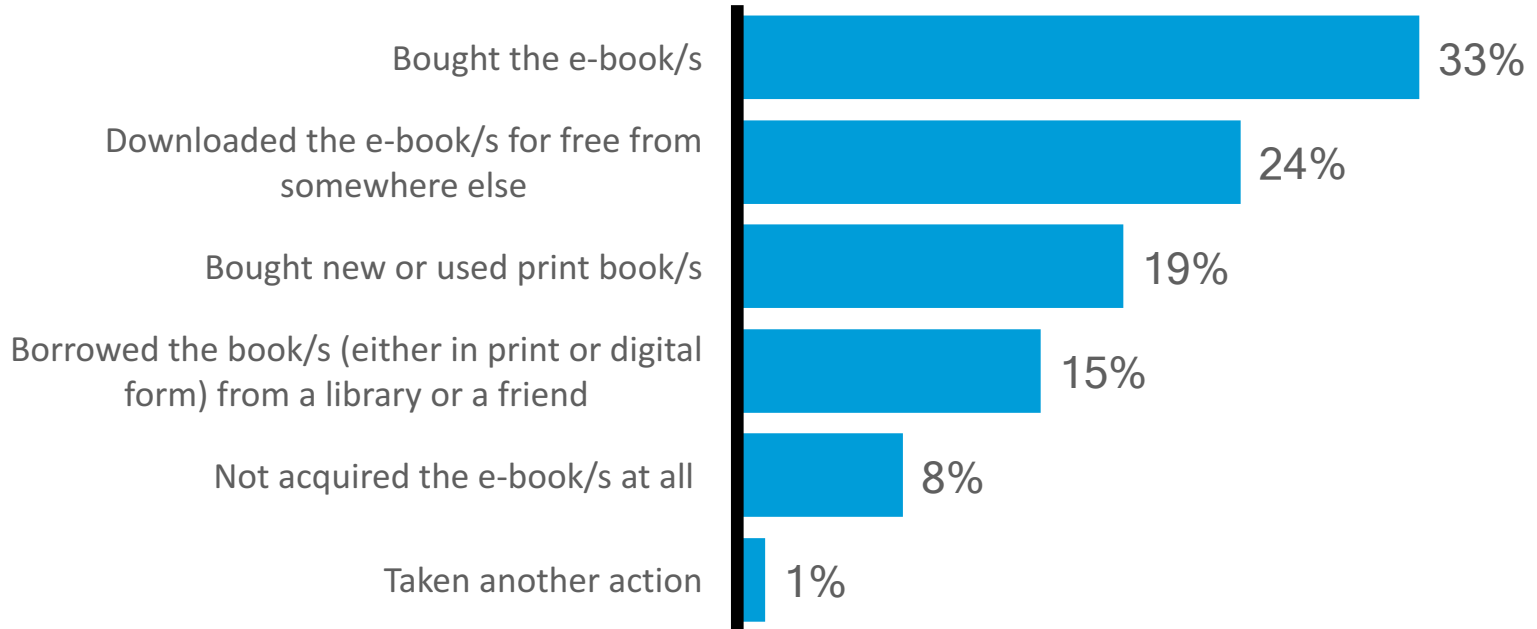
## Drivers to Download Illegal e-Books from Torrent Sites



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



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



# AGAIN, CONVINCING CONSUMERS THEIR EQUIPMENT IS AT RISK TO DETER



## Negative Drivers for Downloading Illegal e-Books from Torrent Sites

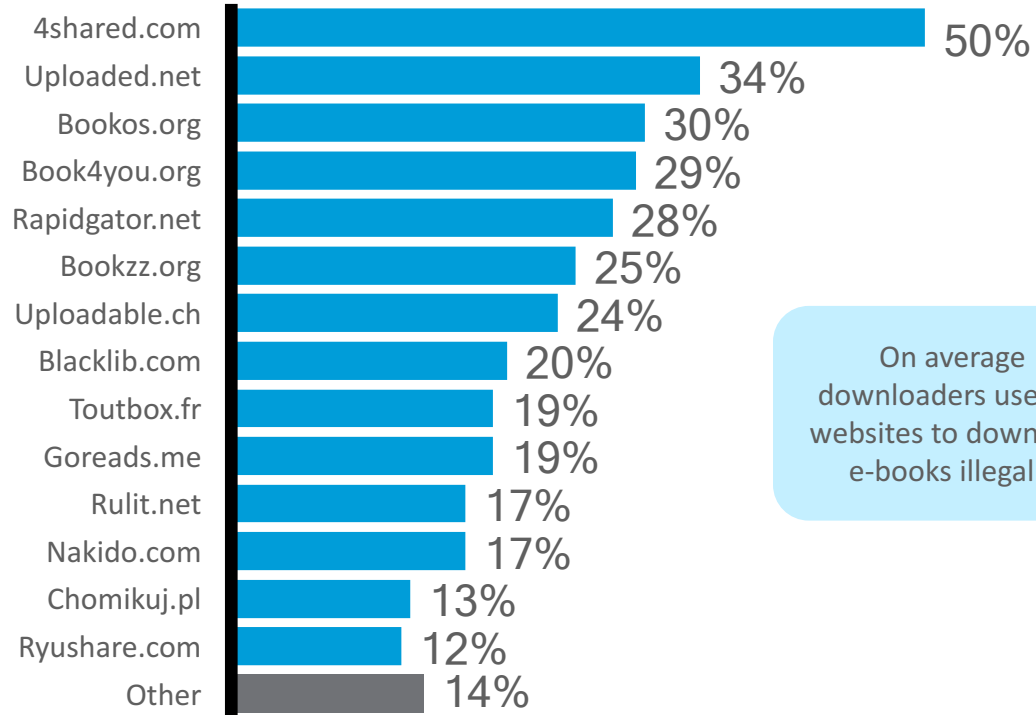
■ Much Less Likely ■ Somewhat Less Likely ■ No Change



# 4SHARED REIGNS SUPREME OF THE ILLEGAL SITES



## Top Sites Used for Illegal Downloading



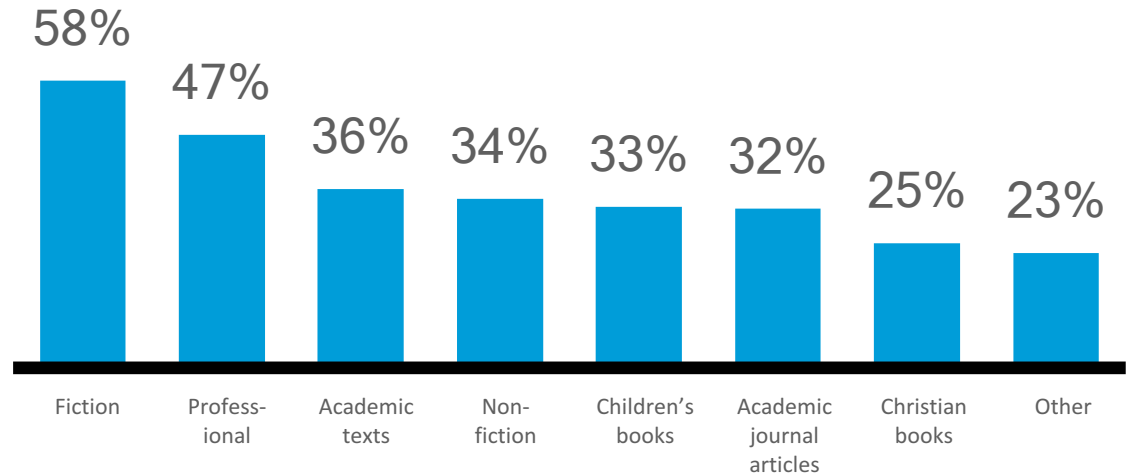
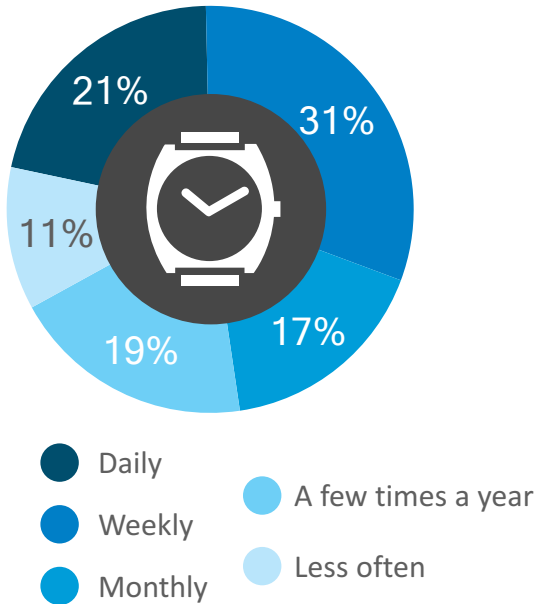
On average  
downloaders use 3.5  
websites to download  
e-books illegally



# MOST DOWNLOADING AT LEAST MONTHLY, FICTION MOST POPULAR



## Frequency and Type of Books Illegally Downloaded

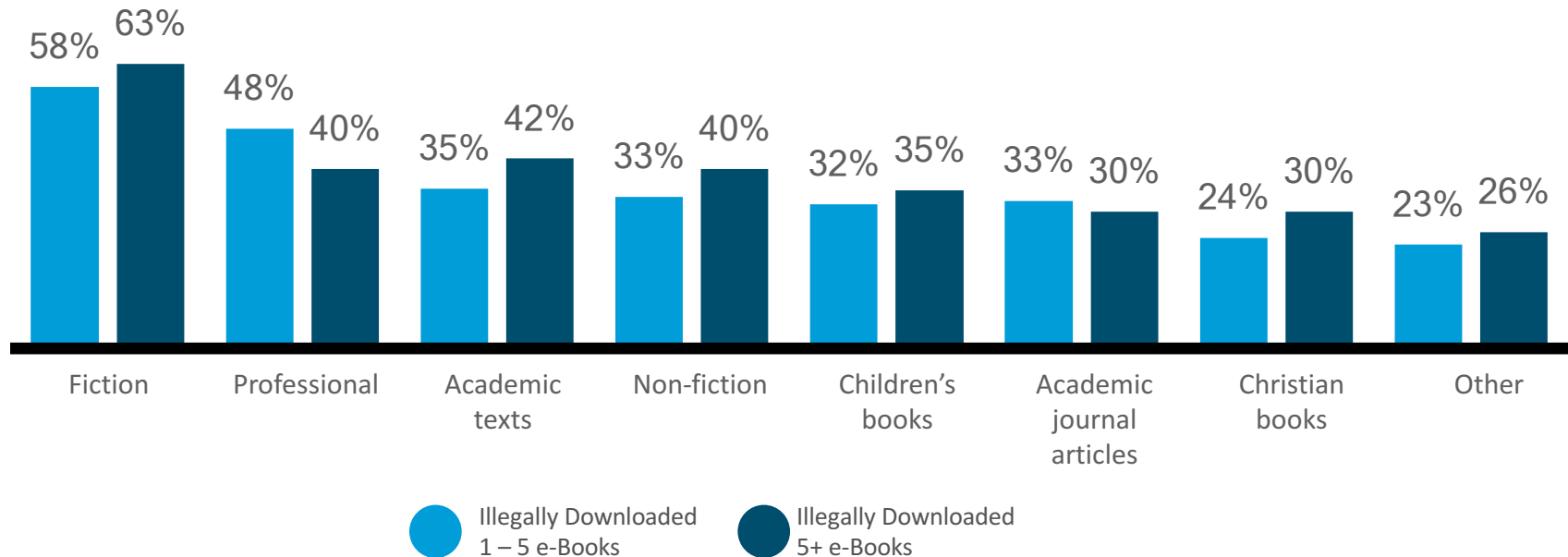


2.9 genres are illegally downloaded on average

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



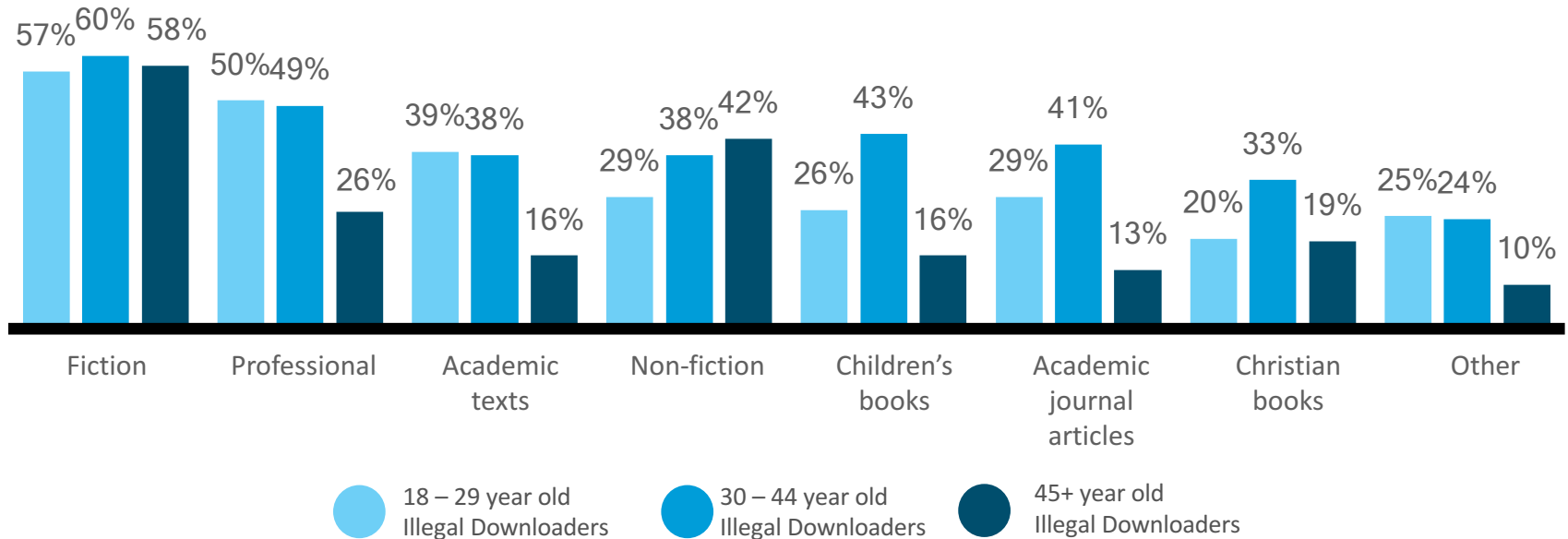
## Type of Books Illegally Downloaded



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



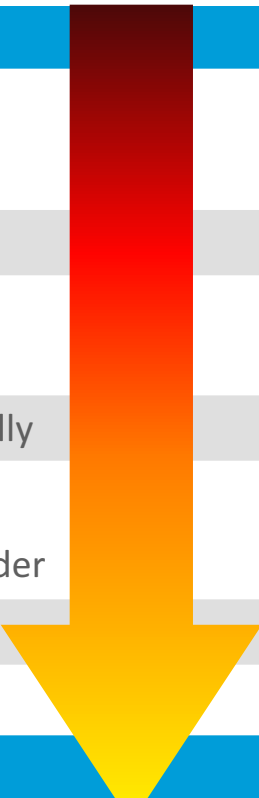
## Type of Books Illegally Downloaded





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
<b>Total Legal e-Book Sales Lost</b>	

# 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.

# 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.

# 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.



# 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

# 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		
<b>Total Lost of Sales Due to Illegal Downloading</b>	<b>~\$315,000,000</b>		

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

