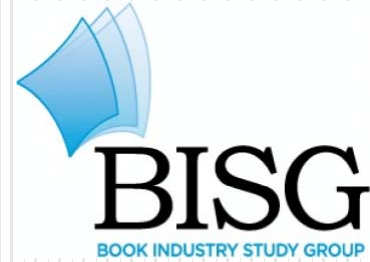




ASSOCIATION OF AMERICAN PUBLISHERS, INC.



AAP/BISG Data Model Annual Reporting

As of January 18, 2011

Agenda

- Overview
 - Publishing Industry Statistics
 - Data Model Approach , Deliverables, & Use
- Data Collection Process & Methodology
 - Publisher Provided Data
 - Ancillary Data Collection Extrapolation Process
 - Ancillary Data Schema Request
 - FAQs
 - Timing and Next Steps

Publishing Industry Statistics

- Just as the book publishing industry is going through tectonic shifts in how it creates, sells ‘books,’ the same can be said for how it counts the shape and size of our industry. The need for precise and complete data that places an accurate size on the publishing footprint—and from different perspectives is an essential element to understanding of our changing market today.
- The object of this new research program from the Association of American Publishers (AAP) and the Book Industry Study Group (BISG) is to unify the statistics that are used throughout publishing, financial and media businesses to track the size and shape of the publishing industry in America.

Data Collection Approach

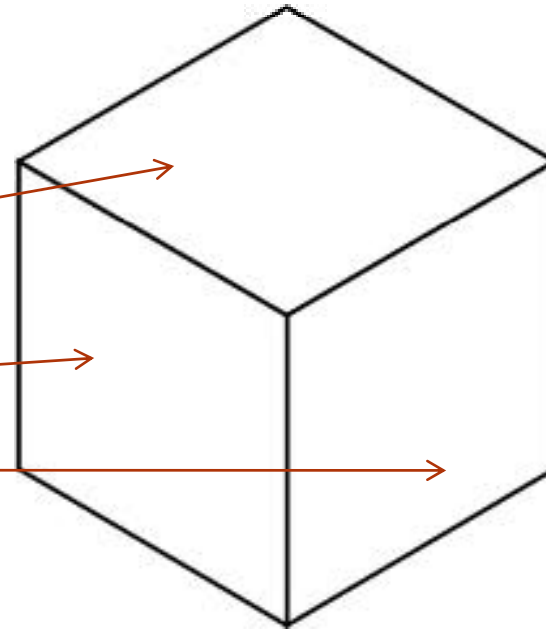
- Approach –
 - In order to achieve the most accurate accounting of the size of the publishing industry, the Data Model will utilize publisher supplied sales information to arrive at these statistics. To that end, the Data Model will engage in an aggressive process of direct and indirect outreach to the publishing community in order to assure the widest level of participation.
 - Beyond publisher data collection, we believe that participation from ancillary data sources in our industry will be essential to validate industry/market size and help to fill any gaps from missing publisher data
- All primary data sources from both publishers and ancillary data providers shall be:
 - Kept confidential and not appear in any document or tool set
 - Used exclusively for internal analysis
 - Handled by the Bowker the Data Model Team exclusively

Deliverables and Use

- The Data Model is committed to taking an innovative approach to delivering data and analysis to the industry. Beyond the traditional static reporting process, the Data Model will offer a web-based tool set capable of performing custom queries by format, channel, and book category
- The Data Model will be utilized in a variety of ways. Both for internal publishing industry purposes and external media and financial analysis including:
 - Sizing of the Industry
 - Publishing Industry Benchmarking
 - Media Exposure
 - Category, Channel, & Format Segmentation

Data Collection Model

- This project will collect data focusing on three core segments known as the data 'cube'
 - Channel
 - Book Category
 - Book Format
- Revenue Tiers shall also be utilized to allow for further segmentation



Publisher Data – Collection Framework

We will breakdown the industry into tiers based on total net revenue.

Tier	Size	Approximate Participant Number	Expected Participation Rate	Target Participant Count	AAP Participant Count	To Find
A	> \$500m	10	100%	10	10	0
B	\$100m - \$500m	20	70%	14	9	5
C	\$25m - \$100m	70	50%	35	6	29
D	\$5m - \$25m	200	20%	40	9	31
E	\$0.5m - \$5m	800	20%	160	34	126
F	\$0.1m - \$0.5m	1500	20%	300	7	293
G	< \$0.1m	>16,000	< 1 %	200		200

Goal for participants = ~775

Current expected participants = ~555

Net outreach goal = ~220

*Source: 2007 Industry Census (A-F), supplemented by Bowker BooksInPrint for Tier G – estimating publishers with <5 titles published in 2010

Publisher Data - Sources

- Expected Providers = ~555
- A 20% participation with small publishers (Tiers E & F) and some participation at Tier G is the key point to helping to validate the extrapolated numbers at these levels. IBPA and ECPA endorsement and outreach will be helpful.
- Three years of data points 2010, 2009, 2008 to be collected.
- Final output in tool set will provide users the ability to filter data by revenue tiers, categories, channels, formats, and full extrapolated or publisher source only data.

Extrapolation Process

- The Data Model will endeavor to collect ancillary data sources from a variety of publishing sales channels
- Sales data reported from ancillary data sources will be used for publisher ranking purposes only. By having access to the ranked publisher sales data, The Data Model will be able to establish the differentials between publishers and extrapolate values for missing publisher files.
- Because these data sources shall be used exclusively for ranking purposes, there is no risk of double counting with other ancillary or publisher data sources—or risk of exposing source ancillary data.

Extrapolation Process – Ancillary Data Collection Market Segmentation

- Ancillary data providers will include wholesalers, retail, and industry sales aggregators.
- Each provider will be asked to provide a:
 - Segmented publisher sales list by market type – General Trade, Higher Ed, K-12, Professional. Based on actual net sales (total sales less returns)

FAQs

Q: What data is being captured and reported on?

A: *Net sales and units aggregated by channel, format, and category.*

Q: Who will have access to and see my data?

A: *Access is restricted to the Data Model team exclusively.*

Q: What format is required for a data submission?

A: *Data will be submitted per the Attachment in Schema A. File will be in a pipe-delimited format. Three years of data – 2008, 2009, & 2010 are requested.*

Q: What is the process for submitting data and where does it reside?

A: *You will send your data to a secure ftp site at Bowker. Data will be loaded to an internal severer.*

Q: What do we receive for participating?

A: *All ancillary data partners will receive free access to the Data Model Toolset and be named as an industry data sponsor in all promotions and press releases*



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