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# THE BUSINESS MODEL OF TRADE eBooks FROM CONSUMER VIEWPOINT: A CONCEPTUAL FRAMEWORK

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## ABSTRACT

While eBooks are generally on the rise, the pace of expansion differs by country. Sales of eBooks are slow in developing countries compared to those in the developed countries such as Japan, the USA and the UK. This study is an attempt to develop a business model which can help to identify components that promote the sales of trade eBooks. Literature on the definition and properties of eBooks as well as definitions and components of business models are analysed. A conceptual framework of a business model for trade eBooks from a consumer viewpoint is proposed. This business model consists of five components namely Value Proposition & Offering, Market Structure & Customers, Organisation & Activities, Resources & Technology, and Cost & Revenue.

**Keywords:** *Electronic books, eBooks, business model, consumer viewpoint, conceptual framework*

## INTRODUCTION

Digital technology has caused an evolution in the book publishing industry with the emergence of the eBook. The eBook industry players such as authors, publishers, aggregators, online bookstores, and eReader manufacturers have high expectations for the future of the eBook industry. While the market for print books is generally declining, slowly in some markets and sharply in others, eBooks are on the rise, also at a very different pace by country. In this case online has become the most dynamic sales channel, but there are significant variations between markets. In the United States, eBooks make up 21% of all book sales and in the United Kingdom, the figure is around 17% (Wischenbart, 2015, June). In most developing countries, this figure is estimated

to be less than 5%. In Malaysia, the sales of eBooks is less than one percent (Itar, 2015, 16 December). Thus, there is still space for eBook sales to grow.

Between 2011 and 2015, eight eBookstores set up operations in Malaysia. Only four remain active today. Are these eBookstores offering what the consumers are looking for? What is the Business Model for trade eBooks from a consumer viewpoint?

This paper will propose a conceptual framework of a business model for trade eBooks which could be applied to improve their sales in developing countries. To achieve this, a three-step study was followed. First is a literature review on the definitions of eBooks and how the definitions exemplify the eBook business as a product-cum-service offering. The second step looks at the definition of a business model and its various components applicable for trade eBooks. Finally, the properties of trade eBooks are identified based on the key concepts of each of the components of the business model of trade eBooks.

## THE EBOOK AS A PRODUCT-SERVICE OFFERING

EBook is the commonly used term, in the publishing world, for electronic book (Maddox, 2009). It is generally defined as the electronic counterpart of a printed book, which can be read on a desktop computer, laptop, tablet, smartphone, or eBook reader (e-book, 2012).

A working definition of eBook was given by Armstrong, Edwards and Lonsdale (2002) as “any piece of electronic text regardless of size or composition (digital object), but excluding journal publications, made available electronically (or optically) for any device (handheld or desk-bound) that includes a screen”.

Vassiliou & Rowley (2008) proposed a two-part definition for eBooks:

- An eBook is a digital object with textual and/or other content, which arises as a result of integrating the familiar concept of a book with features that can be provided in an electronic environment.
- eBooks typically have in-use features such as search and cross reference functions, hypertext links, bookmarks, annotations, highlights, multimedia objects and interactive tools.

The first part of the definition summarises the essential and reasonably persistent nature of eBooks, while the second part captures the dynamic nature of eBooks which is driven largely by the constantly changing technologies through which they are delivered and read.

Advances in technology have changed the eBook landscape further with the introduction of mobile apps. Mobile apps are applications which run directly on the mobile devices for which they are designed and written, hence they are typically very fast to download and access. Presently, apps are platform specific, mainly supporting iOS or Android devices respectively (Tornow, 2012). This analysis shows that an eBook consists of two main components: the content and the technology which make the content digital in nature (Loebbecke, Weniger, Soehnel, & Weiss, 2010).

This paper focuses on trade eBooks. Trade book is defined in the American Heritage Dictionary of the English Language as “a book published for distribution

to the general public through booksellers” (“Trade book,” 2013). Genres of trade books consist of adult fiction and non-fiction books, children’s books and young adult titles (Martin & Tian, 2012, p. 15). Thus we shall be looking at the consumer viewpoint on the eBooks that they buy as well as the eBookstores from which they make their purchases.

On 19 May 2011, Amazon.com announced that, for the first time, its customers were buying more Kindle books than printed books (Amazon.com, May 19, 2011). Kindle book is the term used by Amazon for its eBooks sold and downloaded to its device, the Kindle. Kindle books are now called Kindle eBooks on Amazon.com. This Amazon success story lies in the availability of its large collection of eBooks as well as its user-friendly technology with its dedicated platform and device (Chang, Tsai, & Chang, 2015; D’Souza & Jansen, 2015). Amazon’s success has proven that eBooks are not just a product, they come with a service component supported by technology. From a commercial viewpoint, eBooks are transforming the book industry on the product-service continuum, from providers of products into service providers (Harvey, 2014, Jan 16; Pfisterer, Radonjic-Simic, & Reichwald, 2016; Steele, 2013, April 23).

Now, an eBook is classified as a digital service as it is digitally supplied and thus taxable under the European VAT & Malaysian GST (Coopers, 2011; Guide on e-commerce, Goods and Services Tax, 2014, Aug 20; “VAT on digital services in the EU,” 2014, Dec 12). As such, eBook service providers need a better understanding of what drives consumer behaviour from the perspective of an eBook as both a product as well as a service (Hsu, 2010).

## **BUSINESS MODEL COMPONENTS**

The business model concept gained prevalence with the emergence of the Internet in the mid-1990s (Alt & Zimmermann, 2001, 2014; Osterwalder & Pigneur, 2005; Teece, 2010; Zott, Amit, & Massa, 2011). It has been a very useful tool to understand how to design commercially viable offerings over the last 15 years (Dennehy, Adam, & Carton, 2012). An early definition describes a business model as the way an organisation organises its inputs, converts these into valuable outputs, and gets customers to pay for them (McGrath & MacMillan, 2000). This definition stresses the process of materials flow from input to output in order to generate profit, which is the basis of a business.

The definition of business model becomes more sophisticated by outlining the role of the business provider in providing value for the consumers:

A business model is a conceptual tool that contains a set of elements and their relationships and allows expressing the business logic of a specific firm. It is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners for creating, marketing, and delivering this value and relationship capital, to generate profitable and sustainable revenue streams (Osterwalder & Pigneur, 2005).

Recent definitions have centred on the holistic role of an organisation, such as:

A business model describes the coherence in the strategic choices which facilitates the handling of the processes and relations which create value on both the operational,

tactical and strategic levels in the organisation. The business model is therefore the platform which connects resources, processes and the supply of a service which results in the fact that the company is profitable in the long term (Nielsen & Lund, 2013, p. 13)

Business model is a term often used to describe the key components of a given business (Hedman & Kalling, 2003). There is consent that a business model is seen as a system of four to eight distinct components (Morris, Schindehutte, & Allen, 2005; Seidenstricker, Scheuerle, & Linder, 2014; Sumaiyah, Fitzsimmons, & Douglas, 2008). Afuah & Tucci (2000) identify eight components: customer value, scope, price, revenue sources, connected activities, implementation, capabilities, and sustainability. Hedman & Kalling (2003) reviewed literature related to the business model concept within information systems, management and strategy. They propose a generic business model that includes seven components: customers, competitors, offering, activities and organisation, resources, supply of factor and production inputs, and the scope of management.

More business models outlining components relevant to information systems have been identified (Al-Debei & Avison, 2010; Mahadevan, 2000; Pateli & Giaglis, 2004). An analysis shows that these various components can be classified into five components with consideration for trade eBooks:

- Value Proposition & Offering
- Market Structure & Customers
- Organisation & Activities
- Resources & Technology
- Cost & Revenue

Ten business models applicable to trade eBooks analysis by the above five components are shown in Table 1. The components for each of the ten business models were numbered according to the listing sequenced by their respective authors. This analysis shows that the business model as described by McGrath & MacMillan (2000) that follows through the input-output process in creating value is most applicable.

With the identification of these five components, our trade eBook business model can be defined as:

A successful trade eBook business begins with the eBook seller offering a valuable product and service to the consumers who have access to freely available information in the Internet. In order to attract and retain these consumers, this business has to be organised to add values with technologically competitive advantages. Ultimately, the cost structure has to be profitable to sustain the business.

**Table 1:** Components of Business Model

Authors	Mahadevan (2000)	Alt & Zimmermann (2001)	Hedman & Kalling (2003)	Pateli & Giaglis (2004)	Osterwalder & Pigneur (2005)
<b>Value Proposition &amp; Offering</b>	1 Value stream (value proposition for buyers, sellers, market makers & portals)	1 Mission (vision, strategic goals, value proposition)	3 Offering (physical & service components, quality, price, cost)	3 Value proposition (product/service offering)	Product 1 Value proposition (products & services)
<b>Market Segment &amp; Customers</b>		2 Structure (actors & governance, regional & industry focus, value chain)	1 Customers (segmentation, market position) 2 Competitors (market forces)	2 Target market (scope & market segment)	Customer interface: 2 Target customer 3 Distribution channel 4 Customer relationship
<b>Organisation &amp; Activities</b>	3 Logistical stream (design of supply chain)	3 Processes (value creation process)	4 Activities & organisation (value chain)	5 Key activities (intra- & inter-organisational processes) 7 Value chain/net (alliances & partnerships)	Infrastructure management: 5 Value configuration (activities & resources) 6 Core competency 7 Partner network
<b>Resources &amp; Technology</b>		6 Technology (technological developments & their impact)	5 Resources (human, physical, organisational)	4 Resources (capabilities & assets)	
<b>Cost &amp; Revenue</b>	2 Revenue stream (a plan for revenue generation)	4 Revenues (sources of revenue, investments, business logic)	6 Suppliers (factor market, capital, production inputs, labour)	6 Cost & revenue model (cost & revenue streams, pricing policy)	Financial aspect: 8 Cost structure 9 Revenue model
<b>Other Factors</b>		5 Legal issues (regulation)	7 Longitudinal dimension (constraints on actors, cognitive & social limitations)	1 Mission (strategic objectives)	
<b>Nature of Study</b>	Conceptual paper	Literature review	Conceptual paper	Literature review	Literature review
<b>Term of Business Model Used by Researcher</b>	Three business model building blocks	Six business model elements	Seven components of a business model	Seven constituent elements of business model	Nine business model building blocks under four pillars

(continued)

**Table 1** (continued)

<b>Authors</b>	<b>Morris, Schindehutte et al. (2005)</b>	<b>Sumaiyah, Fitzsimmons, &amp; Douglas (2008)</b>	<b>Chesbrough (2010)</b>	<b>Al-Debei &amp; Avison (2010)</b>	<b>Seidenstricker (2014)</b>
<b>Value Proposition &amp; Offering</b>	1 Offering (value creation)	3 Value creation (value proposition, value model, value creation & differentiation)	1 Value proposition (offering)	1 Value proposition (offering)	5 Value proposition
<b>Market Segment &amp; Customers</b>	2 Market (consumers)	1 Stakeholders (suppliers, stakeholders, customers)	2 Market segmentation (users) 6 Value network (complementors & competitors)	3 Value network (parties & companies)	2 Channels & consumer relations
<b>Organisation &amp; Activities</b>	3 Internal capability (source of competence)		3 Value chain (complementary assets)	2 Value architecture (organisational infrastructure)	3 Network & partner 4 Value chain & processes
<b>Resources &amp; Technology</b>	4 Competitive strategy (quality, efficiency, customer relationship)	2 Competencies (organisational Strengths, resources & knowledge)	7 Competitive strategy (advantage)		1 Technologies, competencies & key resources
<b>Cost &amp; Revenue</b>	5 Economic (pricing, revenue, margin)	4 Value capture (competitive strategy, profits, costs)	4 Revenue mechanism(s) 5 Cost structure & profit potential	4 Value finance (costing, pricing, revenue)	6 Revenues
<b>Other Factors</b>	6 Growth/ Exit (time, scope, size ambitions)				
<b>Nature of Study</b>	Conceptual paper	Factor analysis	Case study	Conceptual paper	Conceptual paper
<b>Term of Business Model Used by Researcher</b>	A six-component framework	Four business model factors	Functions of a business model	V4 ontological structure	Six business model elements

## A BUSINESS MODEL FOR TRADE eBooks

Trade eBooks are mainly sold by eBooksellers to consumers directly. This business model is typified as Business-to-Consumer (B2C). Empirical studies on the trade eBook business are scarce, as most of the studies are done on university consumers and books borrowed from libraries, and hence based on academic eBooks and a Business-to-Business (B2B) model. Table 2 shows the general properties of eBooks obtained from 15 empirical studies on academic eBooks. These properties mainly concern aspects of the practicality and usefulness of eBooks.

In order to ascertain the properties applicable to trade eBooks and their B2C aspects, research done on trade eBooks and other digital media, namely digital newspapers, digital audio and music, digital publishing and information systems were reviewed. Table 3 shows ten such research studies from which B2C related properties of trade eBooks can be derived.

**Table 2: eBook Properties Based on Empirical Studies**

Author	eBook Properties	Survey Subjects
Henke (2003)	mobility and features defined as audio, bookmarks & dictionary.	263 volunteers New York, USA
Anuradha (2006)	searchability, accessibility, mobility, multimedia feature, ability to maintain own bookshelf	101 institute staff and students, India
Noorhidawati & Gibb (2008)	practical searching and browsing features, conducive for on-screen reading such as a good layout design and navigation tools	1,372 undergraduates & postgraduate students, UK
Jamali, Nicholas, & Rowlands (2009)	online access, searchability, cost, portability, convenience, and eco-friendly	22,437 academic staff and students, UK
Letchumanan & Tarmizi (2010)	available around the clock, searchable, allow easy navigation	35 undergraduates, Malaysia
Shrimplin, Revelle, Hurst & Messner (2011)	searchability, accessibility, quality interface, readability, portability, note taking, printable.	74 faculty members and students, USA
Elias, Phillips, & Luechtefeld (2012)	readability, resolution, cost, ability to search within the text	241 faculty members & students, USA
McKiel, Dixon, & Vicna (2012)	anytime access, search, off-campus access, ability to download to workstation, multiple user access	6,656 university students from 76 countries (2008) and 6,329 university students from 100 countries (2011)
Kaufman (2012)	accessibility and availability, portability, search and navigation capabilities	129 faculty members and graduate students, USA
Chao, Fuxman, & Elifliglu (2013)	easy to obtain; low cost of possession; attractive prices; easy to carry around; weights; easy to share with others; need of special reading instruments; free delivery or delivery incentives; compatibility in formats.	228 college students, USA

Roesnita and Zainab (2013)	easy to access, easy to search for relevant information, convenient, economical, user friendly, time saving, a good alternative service to library users.	206 undergraduates, Malaysia
Muir and Hawes (2013)	24/7 accessibility, don't need to visit the library, referred by an academician, searchability, no print copies available, easy to navigate.	63 undergraduates, UK.
Lim and Hew (2014)	annotative and sharing capabilities, enabling student engagement and participation, supporting rich media annotations, remote access	36 diploma students, Singapore
Millar and Schrier (2015)	all required course materials are in one place, portability, convenience, price, less weight	192 university students, USA
Pešut, Živković, & Baker (2016)	organising large amount of literature, search ability, portability, price	232 university students, Croatia

**Table 3: eBook Properties Based on Other Digital Studies**

Author	Digital Media	Properties Related to Digital Media	Data Source
Swatman & Krueger (2006)	online news and online music sectors	community creation and convergence, content platform with network, focus on core competence with supportive partners, personalised news services, competitive pricing strategy, easy access for consumers, always accessible web site	(1) case studies (2) online questionnaires, 340 respondents (3) face-to-face interviews Germany
Amberg & Schröder (2007)	digital audio	big offer of audio content, niche content, reasonable prices or different pricing concepts, technology, branding, standard data format for multiple hardware, supporting consumers community, incentives for legal consumption	(1) market analysis (2) web-based questionnaire, 72 consumers Germany
Eriksson, Kalling, Akesson, & Fredberg (2008)	e-newspaper	well known news source, journalists and editors, several newspapers sharing one portal, brand of paper and news source, prefer local to national news, personalisation, to interact with journalists and editors, cheaper than printed newspaper	web-based survey, 3626 newspaper readers Sweden
Béhar, Colombani, & Krishnan (2010)	digital publishing	multimedia, nonlinear, interactive, social feedback	Industry insights study Worldwide



Tunc (2010)	digital newspaper	both regional & local news, news with photos & videos, reasonable monthly subscription rate preceded by a free trial, personalised news	online questionnaire, 417 respondents Netherlands
Olsen, Lund, & Hartvigsen (2010)	eBook & digital ecosystem	durability, technological development of software & device, consumers' review	commentary essay Worldwide
IFPI (2014)	digital music	music discovery, legal environment (vs pirate), security & ease of payment, trust in the provider, range of choice, store in the cloud and stream remotely or access office from any device	Industry Report Worldwide
Liikkanen & Salovaara (2015)	music on Youtube	ubiquitous access, user-copied content, variable technical quality, user-appropriated/generated music videos, search and featured content functions, users comment and vote	(1) Google Trends data for Web search (2) YouTube search results Worldwide
Chang, Tsai, & Chang (2015)	trade eBook	reliability, experiential service, customer relationship & loyalty technology, innovative opportunity, capability of development, legal problem, required material & facility, and launch time	(1) expert questionnaires (2) hybrid fuzzy modelling Taiwan
Hassandoust, Techataass-) nasoontorn, & Tan (2016)	information systems	organization (top management support, facilitating conditions and empowerment), technology (compatibility with existing system), individual-characteristic (personal innovativeness with IT), individual-perception (perceived usefulness and ease of use)	literature review Worldwide

The following section discusses how these studies can be used to determine the eBook properties for each of the five components of our business model for trade eBooks. The identification of the eBook properties are facilitated by the prior identification of two key concepts for each component. The result of this discussion is summarised in Table 4.

Trade eBook properties related to the Value Proposition & Offering component can mainly be derived from other digital media, as most eBook studies are based on academic eBooks which are obtainable from libraries. The two main concepts for this component are the contents and service quality of the offering. Eriksson, Kalling, Akesson, & Fredberg (2008) and Tunc (2010) found that e-newspaper readers like local, national and regional news. Similarly, the range of choice has been an attraction for digital music lovers (Amberg & Schröder, 2007; IFPI, 2014). For academic eBooks, features related include a good alternative service to library users (Roesnita & Zainab, 2013), all required course materials are in one place (Millar & Schrier, 2015) and large amount of literature (Pešut, Živković, & Baker, 2016). In terms of quality, e-newspaper consumers demand well-known news sources, journalists and editors (Eriksson et al., 2008). Chang, Tsai & Chang (2015) list several service quality criteria for the eBook business model including reliability, experiential service, and launch time. Hence, it is important for the trade eBook business to include as many genres of eBooks as possible, as well as offering quality products and services.

The Market Segment & Customers component are made up of two important concepts, namely market scope and customer relations. Consumers are looking for personalised and niche contents (Amberg & Schröder, 2007; Eriksson et al., 2008; Swatman & Krueger, 2006) and ease of use (Chao, Fuxman, & Elifoglu, 2013; Hassandoust, Techataassnasoonorn, & Tan, 2016). Social engagement has become a favourable feature in research conducted after 2012 as eBooks have further enabled multiple user access, sharing and participation (Chao et al., 2013; Lim & Hew, 2014; McKiel, Dixon, & Vicna, 2012). Social networking has become a key element for other digital media including online news (Swatman & Krueger, 2006), digital music and video sharing sites like YouTube (Liikkanen & Salovaara, 2015; Tunc, 2010). Consumers do not only want their personal likings to be taken care of, but also to have their feedback heard.

Since trade eBooks are mainly bought by consumers, the Organisation & Activities component is not directly related to the academic eBook sector. The two main concepts for this component include the value chain and network partnership. Hassandoust, Techataassnasoonorn, & Tan (2016) pointed out that organisational-related factors have been found to shape businesses involving information systems. Swatman & Krueger (2006) indicated that content platform with networks and supportive partners are important for the online news and music sectors. Activities involving consumers with journalists and editors are important for e-newspaper business (Eriksson et al., 2008). In YouTube, users even generate contents to be shared (Liikkanen & Salovaara, 2015). Finally, branding provides a competitive advantage to e-businesses (Amberg & Schröder, 2007; Eriksson et al., 2008). It is important for an eBookseller to maintain its branding by organising activities which involve stakeholders particularly the consumers and publishers.

The electronic aspect of eBooks relies a lot on the latest Resources & Technology component which hinges on competencies and technological development. The three most prominent properties of eBooks favoured by students and academic staff are accessibility, portability, and searchability (Jamali, Nicholas, & Rowlands, 2009; Kaufman, 2012; Muir & Hawes, 2013; Shrimplin, Reville, Hurst, & Messner, 2011). Features of eBooks made possible due to digitisation include bookmarking, dictionary, browsing, navigation and supporting rich media (Anuradha & Usha, 2006; Henke, 2003; Letchumanan & Tarmizi, 2010; Noorhidawati & Gibb, 2008). The innovative features of digital publishing including multimedia, a nonlinear reading experience and interactivity enhance eBooks further (Béhar, Colombani, & Krishnan, 2010). An often asked question is how durable the present eBook format would last as technology changes rapidly (Olsen, Lund, & Hartvigsen, 2010). Consumers who prefer eBooks are more technologically savvy and expect eBook sellers to keep up with the latest digital technology.

Finally, business survives with sustainable profit by managing Cost & Revenue. This economic component has been a recent feature of concern even for academic eBooks (Elias, Phillips, & Luechtefeld, 2012; Millar & Schrier, 2015; Pešut, Živković, & Baker, 2016; Roesnita & Zainab, 2013). For trade eBooks, which is a business-to-consumer (B2C) business, it should be modelled upon other digital media businesses including having competitive pricing strategies (Eriksson, Kalling, Akesson, & Fredberg, 2008; Swatman & Krueger, 2006), subscriptions and free models (Tunc, 2010), as well as security and ease of payment (IFPI, 2014). Most digital consumers do not mind paying for the products and services that they obtain as long as the pricing model is reasonable and the payment gateway is easy.

Table 4 also lists the operationalised items which have been developed based on the eBook properties for each of the components. These items have been developed from the viewpoint of potential consumers who would find eBooks useful and would thus be willing to pay for the products and services provided by eBooksellers. These items are readily adapted for an empirical research on the business model of trade eBooks.

**Table 4: Operationalised Items on eBooks Properties by the Components of Business Model for Trade eBooks**

Components	Key Concepts	Digital Properties	Operationalised Items on eBook Properties
1) Value Proposition & Offering (PO)	<ul style="list-style-type: none"> <li>• Contents</li> <li>• Service quality</li> </ul>	distinctive offering, service, product mix (local, regional, international), content and context, curation, metadata.	<ol style="list-style-type: none"> <li>1. to have best-selling authors</li> <li>2. to provide technical help</li> <li>3. to add new eBooks frequently</li> <li>4. to have fiction eBooks</li> <li>5. to have non-fiction eBooks</li> <li>6. to have local eBooks</li> <li>7. to have foreign eBooks</li> <li>8. to read eBooks recommended</li> <li>9. to choose eBooks on website description</li> </ol>
2) Market Segment & Customers (MC)	<ul style="list-style-type: none"> <li>• Market Scope</li> <li>• Customer relations</li> </ul>	personalised contents, niche market, customer reading habits, ease of buying, ease of use, customer feedback, reviews, reader-author interaction.	<ol style="list-style-type: none"> <li>1. easier to find books in eBook format</li> <li>2. prefer to find book in eBookstore</li> <li>3. prefer to read eBook to pBook</li> <li>4. easier to buy eBooks</li> <li>5. to access when travelling</li> <li>6. like to post reviews on site</li> <li>7. newsletters are helpful in recommending</li> <li>8. want to interact with eBook authors</li> </ol>
3) Organisation & Activities (OA)	<ul style="list-style-type: none"> <li>• Value creation</li> <li>• Network partnership</li> </ul>	content providers, sequence of activities, readers own role, links to outside stakeholders, branding, scale and size.	<ol style="list-style-type: none"> <li>1. to sell eBooks by many publishers</li> <li>2. like to interact with eBookstore</li> <li>3. to be informed about eBooks promotion</li> <li>4. want to communicate with eBook publisher</li> <li>5. to sell overseas eBooks</li> <li>6. The brand of eBookstore is important</li> <li>7. to have many choices of eBook titles</li> </ol>

4) Resources & Technology (RT)	<ul style="list-style-type: none"> <li>• Digital Competencies</li> <li>• Technological developments</li> </ul>	anytime content delivery, timely availability, no time limit, searchability, portability, readable by all computers and devices, interactivity, software stability.	<ol style="list-style-type: none"> <li>1. to access any time</li> <li>2. simultaneous release of eBook and pBook</li> <li>3. want to keep eBook for a long time</li> <li>4. to have a word search function</li> <li>5. to store all my eBooks in my eBook device</li> <li>6. to access with many devices</li> <li>7. prefer an interactive to a static eBook</li> <li>8. to have its own reading software</li> </ol>
5) Cost & Revenue (CR)	<ul style="list-style-type: none"> <li>• Pricing</li> <li>• Revenue</li> </ul>	pricing model, lower cost, mode of generating revenues (e.g. advertising, subscription or utility model), payment gateway.	<ol style="list-style-type: none"> <li>1. should be free of charge</li> <li>2. willing to pay to read eBooks</li> <li>3. eBook should be cheaper than pBook</li> <li>4. prefer to borrow from libraries</li> <li>5. prefer to pay yearly subscription</li> <li>6. payment process has to be easily done</li> </ol>

## CONCLUSION

As research on a business model of trade eBooks could be useful to expand the eBook business, a conceptual framework of the five-component business model has been developed in this study. These components encapsulate the general properties of eBooks which are gathered from a literature review on various research focusing on trade eBooks and other digital media, namely digital newspapers, digital audio and music, digital publishing and information systems. These properties mainly concern aspects of the practicality and usefulness of eBooks. This business model is typified as Business-to-Consumer (B2C). It is important that empirical study of this model is to be carried out in future studies.

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