

Navigating the Ebook Revolution

By James LaRue

Players in the publishing realm voice their thoughts and concerns

Posted Wed, 05/23/2012 - 09:50

It's here. Long heralded, the e-revolution has finally arrived in the form of rapid adoption of e-reader devices.

It seems safe to assume that by the end of 2012, public libraries may be directing as much as 20% of their collection budgets to digital content. By the end of three years, it may be closer to 50%. That shift of resources, at a time when the budget pie itself is shrinking, will have one unsurprising result: The circulation of print will decline if we offer fewer print materials. That, in turn, will accelerate the shifting of resources.

There are many players in the rapidly changing publishing environment, and many issues for them to sort through. We can expect things will be chaotic and awkward for a while.

Meanwhile, it may be helpful to consider the thoughts and concerns of some of those players. Below, I talk to a reader, a writer, an independent bookseller, and an independent publisher. All of them are real people grappling with real concerns.



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The reader

Frank Morris is 72 years old. A retired psychotherapist, he came into my office one day excited and worried. He was excited because he had just bought a Kindle. He couldn't get over how easy it was to obtain a book. He was reading the *New York Times* book review section online, saw something he wanted, and just moments afterward, there it was on his device.

A well-educated and well-off patron, he was thrilled at the instant gratification. He need only snap his fingers and the content appeared from thin air. It was so easy and, compared with the cost of hardcovers, so cheap. He could get his books anytime, anywhere.

But he came to see me, he said, because he was worried. He had been a lifelong library user, yet he could now suddenly imagine not coming to the library anymore. He didn't *need* it anymore.

He understood that his income and education put him at the front of the early-adopter curve. But surely, he said, others would follow, reaching the same conclusion as e-readers got cheaper and more ubiquitous.

Did the ebook, the common e-reader, mark the end of the public library? Then he asked me with grave seriousness, did I have a backup career?

I assured him that I have great confidence in the adaptability of the public library. Our imminent demise has been tolled at the introduction of LP records, radio, cheap paperbacks, television, the PC and electronic bulletin boards, and the internet. All those things simply move into our collections and service offerings. All of them resulted in increased use, not extinction.

Besides, I asked him, do you imagine you will never leave your house again, never want to browse what's new in the world of writing, movies, music, or programs in the company of

others in a beautiful public setting?

I could tell he was unconvinced. And truly, for a time I did not see him at the library. I met him once for lunch, and he told me he'd bought an iPad, which he liked even better than the Kindle. He canceled his paper and magazine subscriptions and was reading everything on his iPad.

And that's the initial e-reader experience. It works, it's fun, and for a time, it's an enclosed system.

Later, he came back to us, spending about as much time in the library as he ever had. Why? For one thing, he found that, like many new converts, he just read more, period. He found it easier to scan a newspaper than a screen, and he still preferred the feel of paper from time to time. While he had money, he still couldn't afford to buy everything he wanted to read.

It also troubled him that he had bought books he really didn't want to read again. When he decided to donate the files to the library, he discovered his agreement with Amazon didn't give him that right. In fact, he didn't own any of his books, so he couldn't give them away. Reading had been privatized, he said, shaking his head. It was no longer a social asset, available to all.

The writer

A friend of mine, Connie Willis, is a successful science fiction author. I interviewed her recently about ebooks, figuring that if anyone would have an incisive take on the issues of e-publishing, it would be a science fiction writer. Connie once told me, "Once you know there are automobiles, anybody can come up with the idea of a national highway system. But it takes a science fiction writer to imagine the traffic jam." And she sees a lot of traffic jams ahead.

I started by asking her about the explosive rise of self-publishing. At the end of 2010, there were about 300,000 commercially published titles, but more than 2.7 million self-published ones. What did she make of that trend?

"It's a complex issue," she said. "On the one hand, it provides lots of writers an opportunity to find an audience who might not otherwise have that chance. On the other hand, it provides a shortcut to the long, difficult process that's always been part of becoming an author—honing one's craft, studying the writings of others, putting in the '10,000 hours of work,' as Malcolm Gladwell puts it, that are necessary to becoming really good at one's craft. Self-publishing writers no longer have to face rejection slips, editing, rewriting—all of which vastly improve the writer's work. Which means there's a flood of badly written, unedited, unprofessional books out there, which the readers (and librarians) will have to sort through to find the good stuff. That's a job publishers and editors were formerly paid to do, but in the brave new ebook world, everyone—not just assistant editors—will be forced to read the slush pile."

What about the economic proposition? I asked her. Connie, like most writers, makes 10% on the sale of her books. That holds true whether it is in print or electronic. I asked if it bothered her that although the costs for disseminating an ebook are far less than printing, binding, and shipping physical objects, she still gets the same percentage of the sale. Many emerging models, whether it is Amazon's CreateSpace or such e-publishing ventures as Smashwords and Book Brewer, are flipping the standard compensation model by offering 70–90% of the sale proceeds to the author and keeping just 10–30% for themselves.

As an award-winning writer with a host of dedicated readers eager to snap up her next book, does she even need a publisher? Why not go directly to the web and scoop up a bigger share of the cash for the content she creates?

She told me that Amazon has already contacted many authors with just that proposition: Leave your publisher, and make more money with us. But the issues are manifold. For one thing, it worries her that in the near future there might be only three actual copies of her book: one owned by Amazon, one by Google, and one by Apple. The replacement of ownership with leased access is a cause for concern. Authors want lots of copies to be in lots of hands. Why? Connie said, "If the government wanted to destroy a given book, say, *Fahrenheit 451* (a book about doing just that), they'd never be able to get their hands on all the millions of copies scattered all over the world, but they (or an e-publisher or a single hacker) could destroy all e-copies with a single keystroke."

And of course, works could be changed without anyone—even the author—knowing about it.

Loyalty is another issue. A publisher makes a significant contribution to the beginning writer. That process of editing is powerfully instructive for a first-time author. Marketing is also an important service. Connie knows a lot of self-published authors who spend all their time

pushing their books. She wants to be a writer, she said, not a marketer. She also doesn't want to spend her time on book and cover design.

She said the major problem remains distribution. "It's one thing to put a book up on the web, another to have people find out about it, let alone buy it," she said. "Without a structure that duplicates what print books have—publishers' publicity departments, which do ads, promote the books to booksellers, and plan book tours; physical bookstores, libraries, and other venues for browsing, plus the opportunities these venues provide for authors to come and speak—online publishing will not be able to build and expand a writer's reader base nearly as well as print publishing."

I asked her about another link in the publishing supply chain: agents. Why does an established writer need an agent? Her answer surprised me. Connie makes a substantial part of her income on international sales. Her agent negotiates all that—another task she has neither the time nor the expertise to take on.

There are even international rights negotiated for the distribution of English versions of her works in non-English-speaking countries. That's another area that will see challenges in an age of electronic distribution. She said, "When a single ebook file can be downloaded by anyone in the world, it will mean a substantial decrease in authors' incomes unless a new model for author reimbursement is created. And agents advocate for writers, making sure they get the best deal possible. Without an agent, the writer is at the publisher's mercy, whether it's a New York publisher or an online one."

I asked her about libraries. Connie frequently donates her time to library staff days, book clubs, and library conferences. What's in it for her? Her answer was twofold: Like a lot of writers, she grew up in libraries and still spends a lot of time there. It's a matter of paying back a deep debt. Secondly, libraries and librarians make up an important part of the way her books find and reach new readers. Many of her sales come after someone discovers her through the library and then seeks out her other books. Ebooks at the library can become part of that system too, but they may also create problems.

On the other hand, she wonders if new e-publishing companies might find ways to game the system of selection and acquisition. There are stories of self-published writers banding together to write glowing blurbs and reviews for one another, and a number of authors have complained about the effect self-published ebooks are having on Amazon's user reviews. With only a few reviews, self-published writers will be ranked higher than traditionally published authors who have a much broader reading public and many more reviews. (Three five-starred reviews will give an author a five, whereas the average of 200 reviews will nearly always result in a bell-curve rating of three.) She wondered how librarians would manage those and other potential problems.

What's the bottom line? Connie's diligence, dedication, and talent would make her rise to the top of any publishing environment. Most people won't. Most writers, in fact, can't make a living at it. But she recognizes that this is a time of extraordinary change, with both challenges and opportunities for writers and publishers. Connie said, "At the present time it's unclear to everyone involved with books—from publishers to distributors to writers—whether ebooks represent a boon or a disaster."

The bookseller

Joyce Meskis has been an independent bookseller at Denver's Tattered Cover for more than 30 years. She's been successful at it, too. But three market realities have proven challenging: First, the rise of the big chains (Borders, Barnes & Noble) grabbed a lot of sales. Second, the recession cut back on buying behavior. Now, it's the growth of the ebook.

Like a lot of stores associated with the American Booksellers Association (ABA), Joyce's website that offers various e-commerce options. But until recently, many independents just passed along the customer to Google Books, for an agency percentage. However, on April 5, Google announced it will end the sale of ebooks to independents entirely as of January 31, 2013.

Like libraries, booksellers buy their print wares at a hefty discount, ranging from roughly 25% to 45%. They make money on the margin between wholesale and retail (and return many books that don't sell—a significant cost in labor and capital for booksellers and publishers alike).

My library offers a referral from our catalog to Joyce's store for all items. We make an affiliate percentage of a successful sale. But when it comes to an ebook, what the slice of the slice might be is uncertain.

Many booksellers have turned to the used-book market to help make ends meet. But Amazon makes its presence known there too. It has driven down the cost for many used books to a penny—the customer pays far more to ship a book than to buy it. And as I’ve written elsewhere, there are no used ebooks. The disappearance of the second, third, and fourth life of a book may seem comforting to some authors and publishers (who never got a share of those sales). But it will also greatly reduce the likelihood of *finding* an author, of developing a passion for collecting their works. I believe the biggest issue for authors in the 21st century will be finding a reader in the first place.

The traditional mainstays of bookstores—bestsellers, displays, author appearances—continue to draw crowds. Many bookstores have even ventured into storytimes and partnered with coffee shops and restaurants. But when it comes to digital content, my read is that booksellers are even less prepared than librarians to manage their own inventories.

THE PUBLISHER

Most of the talk in the publishing trade is about the Big Six (Random House, HarperCollins, Penguin, Hachette, Simon & Schuster, and Macmillan). Their arguments about the need to inject “friction” into the ebook lending process to provide some measure of security get entirely too much attention. What we learned from the music industry is that trying to make it hard to do wrong (illegal downloading) doesn’t work. What works is making it easy to do right (buy it cheaply on iTunes). Or as I like to say, “Forget the fiction of friction. Make it *easy* to *please* me.”

Brian Schwartz is an independent, or mid-list, publisher and the incoming president of the Colorado Independent Publishers Association. He is at one of the nation’s many, many competent publishing houses, turning out well-written, beautifully designed books. Too few of them have found their way into libraries, in part because smaller houses found the process of national distribution of print expensive and difficult. Given the competition from the Big Six, it’s been a scramble for mid-list publishers to get their titles reviewed or picked up by distributors.

For Brian, the good news is that electronic distribution opens up new markets. He is more than willing to sell digital files to libraries, provided only that we take steps to prevent their casual theft. The Douglas County (Colo.) Libraries, where I work, uses the industry-standard Adobe Content Server to manage the circulation of such titles and limits their use to one user at a time. We buy additional “copies” at traditional discounts. In essence it’s the same deal we’ve offered publishers for more than a century, and the smaller publishers are glad to get in on it. We also offer a link for the purchase of these items, a customer convenience that these publishers see as yet another new market channel, as many of them haven’t been present in bookstores, either.

What are the challenges of e-publishing? Once again, Amazon dominates the market. Like a lot of publishers, Brian is struggling to learn how to convert Word documents to various electronic formats, a sometimes tricky business when it involves images and design decisions that need to work on a variety of e-reading screens.

But which file formats? The National Information Standards Organization (NISO) proposes the media-savvy ePub, which in version 3 offers not only support for all the usual features (bookmarks, search, dictionary lookups, etc.), but enhancements like audio support, video, and even links to external resources. It is accessible to people with print disabilities.

But 60–70% of the e-readers are linked to Amazon, and Kindles don’t read ePubs natively. Amazon uses the proprietary MOBI format (and the far less capable PDF). While some publishers, such as O’Reilly Media, can and do distribute the MOBI file without digital rights management, right now only Amazon can deliver an encrypted version. That means there’s no way for a library to loan such titles without running the transaction through Amazon, as OverDrive does—an arrangement that is increasingly unacceptable to many publishers.

So gearing up to support a new file format, or multiple formats, adds a new level of complexity and cost to the workflow and production of a product. Few publishers already had that expertise in-house.

There’s another issue, Brian told me. Amazon asks for, and gets, the lowest price. If you agree to a retail price on Amazon, don’t try to offer it for less somewhere else. If you do, and Amazon finds out about it, the company lowers its price to match, and the change is retroactive. Some writers (and publishers) seem unclear about this. Have they agreed to a retail price, a wholesale price, or both? But it scares them away from working with others by raising the specter of financial loss (Amazon collects the price difference from the author).

Many publishers—and not just the small ones—struggle with the distribution of the file. They don't have secure FTP servers. They don't have ready-to-hand electronic ordering and fulfillment systems. They don't have MARC records or, perhaps, any metadata at all. Ramping up to offer all these things adds yet another layer of cost and complexity.

So for Brian, it's a heady time. New markets are opening up, and he's got the chance to make a difference, to grow. But there's a lot to learn and a whole bunch of new costs.

The librarian

Change is opportunity. But it will require us to rethink and adapt.

It's clear we're missing some tools. Many of the services handled by our traditional distributors—a comprehensive and straightforward acquisitions system, and the seamless delivery of both metadata and items—either don't exist in the digital world or impose a host of onerous new restrictions. For instance, with OverDrive, libraries sacrifice ownership (and our ability to preserve content), discounts (because rental fees often exceed retail costs), and integration (requiring our patrons to work with entirely separate and markedly different interfaces). With Baker & Taylor, the file format is again proprietary and ignores NISO standards.

Librarians could sit it out and just wait for the wise vendors to figure it all out for us. But that's not the only option. Instead, we can engage in this new world—experimenting, testing, and building new partnerships.

We don't exist in isolation. We aren't the only player. But we are the only player—except for the reader, as above—whose main concern is to make as much content available as possible, to all.

To that end, there are a few directions we need to pursue:

- We need an updated legal framework. For some ideas about that, see the “common understanding” [document](http://jaslarue.blogspot.com/2012/01/statement-of-common-understanding-for.html), (<http://jaslarue.blogspot.com/2012/01/statement-of-common-understanding-for.html>) prepared for the Douglas County Libraries by Mary Minow. We do *not* want to have to negotiate complex and contradictory contracts with each publisher.
- We need Association support. The American Library Association, under the leadership of President Molly Raphael and Executive Director Keith Michael Fiels, has reached out to some of the Big Six publishers and leading distributors to at least begin a [dialogue](http://americanlibrariesmagazine.org/e-content/ebook-talks-details) (<http://americanlibrariesmagazine.org/e-content/ebook-talks-details>) about our concerns. That work continues in the [Digital Content and Libraries Working Group](http://connect.ala.org/node/159669) (<http://connect.ala.org/node/159669>).
- We need to identify new resources for the evaluation of new content. I can recommend the innovative [Blueink Review](http://www.blueinkreview.com/), (<http://www.blueinkreview.com/>) which is tackling the world of self-publishing and is eager to work with libraries.
- We need to develop and disseminate new models for the management of our own content. See the articles on the Douglas County Libraries experiment that [Monique Sendze](http://www.publiclibrariesonline.org/magazines/featured-articles/e-book-experiment) (<http://www.publiclibrariesonline.org/magazines/featured-articles/e-book-experiment>) and [I wrote](http://www.publiclibrariesonline.org/magazines/featured-articles/last-one-standing) (<http://www.publiclibrariesonline.org/magazines/featured-articles/last-one-standing>) about in the January/February 2012 issue of *Public Libraries* magazine, a publication of ALA's Public Library Association. As part of this, we need to recruit and provide a strong vision for a new generation of library IT staff.
- We need to locate, develop, and disseminate revised acquisition models that bring together content from a rapidly expanding universe of publishers and writers.
- We need to work more directly with local authors to help them write quality works, then provide a channel for reaching their audience. That might mean the library as publisher. It might mean partnerships with new e-publishing approaches.
- We need to work with existing publishers, who still add value to writers and the marketplace, and may need some help to understand the important role libraries play in the discovery of authors and the development of publishing markets. There are many issues to resolve, ranging from discounts to file formats to metadata and more.
- We need to have some open outreach to our independent booksellers. Some cooperative ventures may not only help us keep literacy alive and thriving in our communities, but also replace the likely loss of fines and used-book sales with new revenue-sharing models.
- We need to have some frank discussions with our distributors. There's plenty of room to add value in the supply chain. But the fundamental premises of that relationship need to serve both our missions, rather than locking down the market.

And finally, we need to remember the library’s owners—the public. They are our most essential partner. They remain at the heart of our business model. They still look to us not only to provide the inestimable value of the cooperative purchasing agreement. They also expect us to advocate intelligently and forcefully for their continued broad access to and participation in the intellectual content of our culture.

JAMES LARUE is director of the Douglas County (Colo.) Libraries.

COMMENTS

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[JAMIE LARUE'S ARTICLE \(/FEATURES/05232012/NAVIGATING-EBOOK-REVOLUTION#COMMENT-4852\)](#)

I’m thinking of the future, of the children who have grown up with computers and think of using them and other electronic devises as casually as we thought of using a telephone when we were young. That generation will use a “kindle” like they use a cell phone and not even remember “books.” (Of course, that means we need to keep as many of our books as possible because they will be worth a fortune someday!) But they are the patrons we need to think of in less than 20 years and we need to adapt our libraries to that idea. I work in Jamie’s library. He’s not afraid of the future, he’s excited by it and so are we!

Submitted by Rebecca Forry (not verified) on Mon, 06/11/2012 - 13:04.

[20% \(/FEATURES/05232012/NAVIGATING-EBOOK-REVOLUTION#COMMENT-4784\)](#)

We just completed a survey of 4,000 of our patrons. 20% of them tell us that ebooks are their preferred format. At present, ebooks represent only about 2% of our collection (and an equal percentage of circ).

My less formal survey of my peers puts all digital content purchases (not just ebooks, which are mostly through OverDrive right now) at 8-12% of their budgets. Since the demand is there, and the budgets themselves are not growing, that represents a SHIFT in purchasing. And that means, whether we talk about it or not, fewer print purchases.

The economic swing from 10% of the sale to authors, to upwards of 80%, means that publishing will prove so compelling to authors, that we’ll soon see many e-ONLY titles.

Hence my bold prediction. :)

Of course, I could be wrong.

Submitted by Jamie LaRue (not verified) on Thu, 05/24/2012 - 10:09.

[PRINT/DIGITAL \(/FEATURES/05232012/NAVIGATING-EBOOK-REVOLUTION#COMMENT-4783\)](#)

Mr. Larue write: “The circulation of print will decline if we offer fewer print materials.” Well, yeah. But why do we want to offer fewer print materials? Print circulation at my large library system is not on the decline, even though ebook circulation has gone up astronomically. I love reading ebooks. But I think it’s a mistake to think of reducing our print budget (free books for all!) to buy more ebooks (free books for those with the technology.) And Sarah’s right - it’s tough to buy ebooks when most of the publishers with popular titles aren’t selling them!

Submitted by Alison (not verified) on Thu, 05/24/2012 - 07:54.

[EBOOK...YAWN \(/FEATURES/05232012/NAVIGATING-EBOOK-REVOLUTION#COMMENT-4782\)](#)

Ebook=Novelty, at best.

Yet libraries, librarians, and library programs everywhere react with childlike excitement and demand; “The electronic bandwagon is here! Must have! Must have!” (Much foot

stomping follows).

Tsk.

Submitted by dmutchler (not verified) on Thu, 05/24/2012 - 06:26.

[“PUBLISHING HAS ONLY TWO \(/FEATURES/05232012/NAVIGATING-EBOOK-REVOLUTION#COMMENT-4779\)](#)

“Publishing has only two indispensable participants: authors and readers.... any technology that brings these two groups closer makes the whole industry more efficient — but hurts those who benefit from the distance between them.” The Economist, 2008

Another part of the Ebook Revolution is self-publishing. More and more authors are finding success self-publishing because they get 70% of the sale price. A \$2.99 price book will net the author around \$2.05-\$2.05 depending on the bandwidth charge.

There is a blog post that list the 150+ authors who have sold more than 50,000 self-published ebooks (selfpublishingsuccessstories.blogspotdomcom)

The ebook revolution is opening the door for more authors. Though success will vary.

Submitted by John (not verified) on Wed, 05/23/2012 - 22:53.

[EREADERS, EBOOKS AND ACCESSORIES \(/FEATURES/05232012/NAVIGATING-EBOOK-REVOLUTION#COMMENT-4777\)](#)

Be sure to compare the best deals in ereader technology at mediabookiosk.com

Submitted by **Learning Inspirations, LLC** (<http://mediabookiosk.com>) (not verified) on Wed, 05/23/2012 - 21:21.

[20%?? \(/FEATURES/05232012/NAVIGATING-EBOOK-REVOLUTION#COMMENT-4776\)](#)

You know the statement about making assumptions ... anyway, there's no way public libraries will be spending 20% on digital content if the Big Six publishers don't give way.

Submitted by Sarah (not verified) on Wed, 05/23/2012 - 16:36.

[REAL BOOKS \(/FEATURES/05232012/NAVIGATING-EBOOK-REVOLUTION#COMMENT-4775\)](#)

As an author of both E-books and real books (those made with paper and ink), I have resisted Kindle and other versions of e-readers. Why? Because I like the feel of the book, the look of the book, the smell of the book, the marks in the book, the interesting bookmarks I use, the books on the shelves that beautify my home and office, the books with authors' signatures, the books I loan, the books I borrow, the books I read again and again, the books I refer to from time to time and more.

Books are far more than words on paper.

They are friends, teachers, advisers, and lovers. They are inspiration and education and beautification and edification and consternation and frustration and exasperation and gratification and I can't think of another word that ends with tion but you get my drift.

I was just forwarded a brand new book as a pdf. It is written by a very famous author and publisher. I had already purchased his real book. I won't read his pdf on my computer, but I will consume his real book as soon as it arrives.

Give me a real book please.

Submitted by **Ronald Ross** (<https://www.google.com/>) (not verified) on Wed, 05/23/2012 - 15:43.

[CHANGE IS OPPORTUNITY. FOR AUTHORS AND READERS \(/FEATURES/05232012/NAVIGATING-EBOOK-REVOLUTION#COMMENT-4774\)](#)

Controversy and competition usually mean someone is on to something good, and I believe it's true with e-publishing.

Authors have long lamented the arduous process of trying to get a book published in the

E-publishing also gives more of the royalties to the authors, where they belong. Connie makes 10% from the sale of a book. With e-publishing, authors retain a much higher percentage. (Through July 4, any author that sells through Booktango gets 100% of their royalties.) And remember, everyone gets the chance to decide whether he or she wants to read the book.

And that's a good thing.

Submitted by Chris Booktango (not verified) on Wed, 05/23/2012 - 14:51.

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