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A Novel Approach: How E-Book Technology Is Impacting the American Fiction Market

Jodi L. Kastel
Seton Hall University

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A Novel Approach:
How e-Book Technology Is Impacting the American Fiction Market

Jodi L. Kastel
Seton Hall University
Spring 2005

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A Novel Approach:

How e-Book Technology Is Impacting the American Fiction Market

CHAPTER I

Introduction

Malcolm Gladwell equates the tipping point of a product, idea, message or behavior with an epidemic. The tipping point occurs when something “tips” from concept to concrete; from murmurs to movement; from talk to truth.

Gladwell discusses the phenomenon of the tipping point at length in his book of the same name, citing examples from politics, medicine, history, popular culture, and, yes – American fiction. Rebecca Wells’ sophomore novel, *Divine Secrets of the Ya-Ya Sisterhood*, went from being a minor blip on the literary circuit in her hometown of Seattle to a mega hit, selling more than 2.5 million copies after it tipped (Gladwell, 2000, p. 170). Through word-of-mouth, particularly through reading groups across the nation, Wells’ tome tipped from being a charming story to the must-read book of 1998.

I chose e-books as my topic of research because I’ve always loved to read and write fiction. In addition, I have an interest in the Internet and emerging technologies. I was curious to see what affect, if any, technology was having on literature and the publishing industry.

The tipping point for e-books has not yet come. Consumers still prefer to read traditional print fiction novels over e-books. However, that’s not to say e-books will never tip. A tipping point is marked by three characteristics: contagiousness; little causes that have big effects; and change that happens at one dramatic moment, not gradually (Gladwell, 2000, p. 9).

Statement of the Problem

For my thesis, I've chosen to examine the question: Is e-book technology enabling American fiction authors to reach more readers? It is my hypothesis that e-book technology is indeed enabling writers to reach more readers.

Limitations of the Study

This study looks only at general fiction e-books sold by American-held companies or companies with American divisions. Nonfiction or genre-specific sales figures and/or projections are not the basis of this research. This study does not include books delivered via print-on-demand technology.

Definitions and Terms

Digital rights management (DRM): The technologies that seek to manage and permit only authorized use of copyrighted materials to prevent content from being reused in another form or another copy of the work from being made, to allow users to use content again and reproduce portions or make copies upon authorization, permission, payment or release for the privilege.

Electronic book (e-book): A literary work in the form of a digital object, which an author, publisher or other creator has constructed of electronic files. e-Books are produced in a variety of electronic formats, including Adobe, Microsoft, Palm OS, Pocket PC and Mobireader. Special programs may be necessary to read certain formats.

Electronic book reader (e-book reader): A hardware device, usually (but not necessarily) portable, and possibly built for accessing an e-book; for example, a personal or laptop computer,

personal digital assistant (PDA), REB 1100 (formerly RocketBook), REB 1200 (formerly Softbook) or Franklin eBookMan.

Personal digital assistant (PDA): Portable electronic device that can include calendar, address book, e-mail and other features. Palm Pilot is an example of a PDA.

Smart phone: Cellular phones that are Internet-enabled and have miniature keyboards.

CHAPTER II

Review of the Literature

The barrier to reaching the tipping point in e-books, according to Theresa Horner, director of e-book operations at HarperCollins, can be attributed, in part, to rights management and production issues (2004, slide 4). Because many author-publisher contracts were forged prior to the advent of electronic publishing, many don't include provisions for how digital versions of the authors' works can be distributed.

In 2002, RosettaBooks and Random House settled litigation involving RosettaBooks' publication of e-book editions of several Random House titles. RosettaBooks had published about 12 e-books from writers under contract with Random House. RosettaBooks argued that Random House had failed to acquire the electronic rights to those titles. Random House responded by seeking a preliminary injunction against RosettaBooks. A federal district court denied that request in July 2001, and a federal court of appeals upheld that opinion in March 2002. At the time, Random House said it would continue to pursue its legal options. Instead, RosettaBooks and Random House struck a deal that called for Random House to give RosettaBooks the exclusive rights to publish e-book editions of certain titles. The electronic

license will last for three years, with RosettaBooks having an option to renew for an additional three years (*Wall Street Journal*, 2002, p.B2).

“My objective was to advance electronic publishing from day one, and this agreement does that,” said Arthur Klebanoff, chief executive of RosettaBooks. “We never wanted an adversarial model. This will make lots of rights available for sale.” Stuart Applebaum, a spokesman for Random House, said the settlement advances its e-book publishing opportunities in a way that complements its “flourishing” e-book publishing program (*Wall Street Journal*, 2002, p. B2).

The Commercial Fiction Market

Book sales in 2003 increased 6 percent for the year, mostly due to sales of e-books, audiobooks and juvenile titles, according to the Association of American Publishers (Weber, 2004, p. E1). Annual consumer expenditures for books will top \$44 billion by 2008, according to *Book Industry TRENDS 2004*, a nearly 300-page report by Albert N. Greco and Robert H. Wharton of Fordham University’s Graduate School of Business Administration for the Book Industry Study Group (Abraham, 2004, para. 1).

In contrast, a survey based on 2002 Census Bureau data by the National Endowment for the Arts found that just more than half (56.6 percent) of Americans over age 18 read a book of any kind in 2001, down from 60.9 percent a decade earlier. The number of readers of literature dropped to 46.7 percent of the adult population, down from 54 percent in 1992 and 56.9 percent in 1982 (Weber, 2004, p. E1). It is important to note, however, that those who reported that they had not read a book in the past year were not asked if they had read an e-book; it is unclear

whether Americans view reading a print novel and reading an electronic novel in the same fashion.

As mentioned earlier, no discussion of e-books is complete without factoring in the ongoing debate regarding rights management. F. Hill Slowinski writes in his white paper, *What Consumers Want in Digital Rights Management (DRM): Making Content as Widely Available as Possible in Ways That Satisfy Consumer Preferences* (2003, p. 3):

DRM was developed as a way to secure content in the electronic environment. For the e-book publishing industry, that vision has been adopted by some as a business model for e-book publishing. Most for-sale e-books are offered with some form of DRM attached. Many publishers have spent hours and dollars investigating different DRM technologies. Events in the music and video industries, however, show how controversial and ineffective some forms of DRM have been in terms of customer acceptance.

In 1994, the Association of American Publishers formed the Enabling Technologies Committee (ETC) to determine what technologies would be needed to facilitate digital publishing. The ETC's early efforts resulted in a 1995 report by Christopher Burns. Burns concluded that there would be a multitude of solutions to the problem of copyright protection. He noted that copyright protection in a digital context relies on three components: legal framework, business models and technology. These three paths offer characteristics that deal with the dissemination of content in different ways. By adopting legal (statutory and contractual), technical (using new technologies and encryption), and social (business model) structures, or combinations of them, both publishers and customers cooperatively respect copyrights and ensure orderly avenues of access and distribution of content with value (Slowinski, 2003, p. 4).

Limits on the rights owned by a publisher sometimes frustrate the readers of e-books. For example, a user may desire to “cut and paste” sections from an e-book into another document, but the publisher’s license from the author or a previous publisher of the work might not allow such use. Confusion over rights issues also can interfere with usage, such as in the case of “read aloud” capability for e-books. e-Book technology can allow blind and vision-impaired readers to “listen” to e-books via technologies that enable text to be read aloud with a synthetic speech processor. However, some publishers choose not to activate a book’s read-aloud capability for fear of infringing on the audio rights to the book that were reserved by the author or sub-licensed to an audiobook publisher. While not all industry professionals believe that activating text-to-speech capabilities would violate audio rights, the issue continues to be debated. In the end, both users and publishers are frustrated – blind and vision-impaired users lose out on read-aloud capabilities in many e-books and publishers feel forced to remove an attractive feature from their products (Slowinski, 2003, p. 1).

Many publishers, including most of the larger American publishing houses, have chosen to protect their clients’ work from e-book piracy by making e-books non-transferable between users, and often, non-transferable between devices. This means that it would be difficult (and perhaps illegal) to share the new James Patterson e-book you just read with a colleague. In addition, you may not be able to keep a copy of the book on both your portable digital assistant (PDA) and your new smart phone.

Publishers are not incorrect in assuming books are fair game for piracy. While not as easy to copy and share with others as music, pirated copies of popular books, such as Dan Brown’s *The Da Vinci Code*, *The South Beach Diet* and every Harry Potter installment, are easy to find online. Creating an illegal, digital copy of a print book is cumbersome: every page of the printed

novel must be scanned, run through optical character-recognition software and proofread before the work is uploaded to a network or transferred directly to a recipient (Junnarkar, 2004, p. G5). Envisional, a UK-based company that tracks Internet piracy, estimates that as many as 30,000 pirated titles are available online. Most are in English, but works in German, Spanish and French also are plentiful (Junnarkar, 2004, p. G5).

Mike Violano, vice president and general manager of eReader, said security concerns are one of the main reasons some top publishers offer limited or no support for e-books – particularly of top-selling authors like J.K. Rowling and John Grisham. Some publishers just don't trust letting their content be available in digital form, he says (Becker, 2004, Rights section, para. 6).

For experienced file-swappers, e-books have an obvious appeal: they are smaller and therefore faster to download than most music or movie files, and hundreds of e-books can be stored on a CD or in a hand-held device like a Palm Pilot.

"I used to joke in my speeches that e-books had not arrived because none of the pirate sites were dedicated to books," said Michael Hart, founder of the 32-year-old Project Gutenberg, which compiles electronic copies of books whose copyrights have expired. Hart has made more than 10,000 books freely available. "It is obvious that the infrastructure to make legal e-books is now so strongly entrenched that people feel empowered to make their own, even when the publishing industry refuses" (Harmon, 2003, p. C1).

Dick Brass, vice president of technology and development at Microsoft, compares the cool reception e-books have received to the difficulties of the automobile industry when it first started, and he likens nay-sayers to those who once predicted horses would triumph over the automobiles (Bandler, 2002, p. R6).

“In 1908, an intelligent consumer would probably go with the horse,” says Brass. “There were a lot more places to buy oats than gas. Horses got better mileage. But 20 years later it was hard to find a horse in a major American city.” The same will hold true for e-books, says Brass, who is sticking to earlier predictions that sales of e-book titles will hit \$1 billion by 2005, and will ultimately eclipse paper and clothbound books in 2020. “I don't believe that e-books can fail,” he says (Bandler, 2002, p. R6).

Choosing to read text on a screen represents a profound behavioral shift, equivalent to the transition from scrolls to multipage codexes, says Gary Frost, conservator of the libraries at the University of Iowa. Even digital enthusiasts will need time to adjust: “Think of how long it took the manuscript book to develop and transform itself into a print book. Here we are a decade into real online reading, and we expect to have the skill all developed. It takes generation of time to make a shift like that” (Becker, 2004, Content section, para. 14).

Evolution of e-Books: Technological improvements

Publishers looking to tap into the potential e-book money stream have responded to readers' feedback. While work on these solutions needs to continue, progress so far includes:

- Palm Digital Media's e-book platform now enables users to read their Palm-formatted e-books on an unlimited number of Palm and Pocket PC handheld devices, as well as Mac and Windows-based desktop and laptop PCs.
- Microsoft Reader e-book reading software now allows users to “activate” a book on up to four devices.
- Adobe Systems' eBook Reader software now is bundled with Acrobat (the popular software used for reading PDF documents) and enables users to read e-

books on handheld devices and activate their individual e-books on multiple devices.

- Publishers often release their e-books in multiple reading formats, including versions for the Adobe, Microsoft and Palm platforms.
- e-Book lending solutions for libraries, including remote access features, have been introduced by vendors such as Adobe, Baker & Taylor, Follett, Netlibrary, Overdrive and Fictionwise.
- The American Library Association and Association for American Publishers are working with a variety of technology companies, libraries, publishers, users groups and other constituents to establish industry-wide standards in DRM products.
- Retail e-book sites often include detailed Frequently Asked Questions (FAQs) sections noting the capabilities and possible formats being presented to the user.
- Some sites now permit from four to 20 downloads of the purchased e-book, depending on the circumstances of the transaction and formats (Slowinski, 2003, p. 30).

Chris Strano, director of marketing for Franklin Electronic Publishers, a company that has sold more than 29 million e-books, says consumer adoption of the technology is growing, while publishers increasingly are getting on board.

The keys to success, according to Strano (2004, slide 8) are:

- Convenience
- Including value-added features
- Bringing consumers the best content available

- Making downloading e-books simple with small file sizes
- Portability
- Versatility

With the improvement of e-book technology has come the medium's acceptance as a viable force in the publishing world. Fictionwise.com, a company with more than 18,000 e-books in its catalog by popular and undiscovered authors, annually presents the e-Book Author of the Year, e-Book of the Year, Top-Selling e-Book of the Year and Highest-Rated e-Book of the Year. The 2003 e-Book of the Year was Dan Brown's international bestseller, *The Da Vinci Code*. The book broke both print and electronic sales records, according to Fictionwise.com (2004, eBook section, para. 1).

Many of the large publishing houses are supporting the e-book market by dedicating important real estate on their Web sites to market e-books. A visual survey of the Web sites of major American fiction publishing houses was conducted in October 2004 (*See Appendix E*). e-Books are marketed significantly on the home pages of HarperCollins, home of Michael Crichton, Janet Evanovich, Barbara Kingsolver and Lisa Scottoline; Random House, home of Elizabeth Berg, Sandra Cisneros, Tom Robbins and Jane Smiley; and Simon & Shuster, home of Dan Brown, Mary Higgins Clark, Stephen King and Larry McMurtry. Smaller publishing firms Time Warner and Penguin feature links to more information about e-books, but not on their home pages, while Henry Holt and Hyperion do not include any information about e-books on their sites (Kastel, 2004).

A Look at Technology

Fueling the e-book industry is the explosion of cell phones and other handheld devices with small screens capable of displaying text. About 80 percent of the downloadable books sold to individuals today are read on such devices, according to the two top online electronic retailers, eReader and Fictionwise (Glazer, 2004, p. 31).

Readers of e-books use cell phones, “smart” phones (which have Web capacity and miniature keyboards), PDAs and Pocket PCs, which are increasingly popular. In minutes, you can purchase and download a digital book suitable for a mobile device or a personal computer from one of several sites that specialize in e-books, as well as from Amazon.com (Glazer, 2004, p. 31).

According to *The Wall Street Journal*, analysts see a future for multipurpose devices such as Microsoft’s Pocket PC, which also can serve as a date book and address book in addition to an e-book reader. The maker of the Palm organizers, Palm Inc., for instance, says it sold 180,000 e-book titles in 2001, a 40 percent increase from the previous year. Industry boosters have particularly high hopes for Microsoft’s Tablet PC, a full-functioning miniature computer. Both devices are seeing support from Adobe, which offers free e-book viewing software for Palm Pilot and Pocket PC devices (Bandler, 2002, p. R6).

However, some feel a reading device that is easier on the eyes will attract more readers. Sony’s Librie is a lighter, thinner reading device than earlier readers, with resolution close to that of a newspaper. It sports a glare-free surface that can be read at any angle, even in bright light. Currently available only in Japan, American consumers may see a product using the new technology in the next 18 to 24 months, says Darren Bischoff, senior marketing manager of the E Ink Corporation, the company that developed the technology known as electronic ink. Several

companies are interested in developing a product for the United States market, Bischoff says. It's unclear whether that will be a device only capable of reading downloaded books or a multifaceted device like a PDA (Glazer, 2004, p. 32).

Thirty to 40 million PDAs have been sold, and sales of smart phones with e-book reading capabilities are poised for rapid growth and adoption. In just the first half of 2004, for example, Nokia sold 2 million of its Smartphone 6600 (Strano, 2004, slide 15).

e-Book Sales

Top 10 e-Books of 2004		
<i>Title</i>	<i>Author</i>	<i>Publisher</i>
1. The Da Vinci Code	Dan Brown	Doubleday
2. Angels & Demons	Dan Brown	Pocket Books
3. Deception Point	Dan Brown	Pocket Books
4. Digital Fortress	Dan Brown	St. Martin's Press
5. Darwin's Radio	Greg Bear	Del Rey
6. Holy Bible	International Bible Society	Zondervan
7. I, Robot	Isaac Asimov	Spectra
8. Electronic Pocket Oxford English Dictionary & Thesaurus	Oxford University Press	Oxford University Press
9. Darwin's Children	Greg Bear	Del Rey
10. Merriam-Webster's Collegiate Dictionary	Merriam-Webster	Merriam-Webster

Source: Open eBook Forum, January 2005.

Unit sales of e-books grew 46 percent to 421,955 during the first quarter of 2004, while revenues rose 28 percent to \$3.23 million compared to the same quarter in 2003, according to the Open eBook Forum, which received data from 24 of the leading e-book publishers and retailers to compile its quarterly *eBook Statistics Report* (*BookTech Magazine*, 2004, para. 2). Publishers and retailers that contributed to the report included eBooks.com; Fictionwise.com; Franklin Electronic Publishers; HarperCollins; Holzbrinck Publishers; John Wiley & Sons; Laridian;

OverDrive; Palm Digital Media; powells.com; RAND Corporation; Random House; Simon & Schuster; The McGraw-Hill Companies; and Time Warner Book Group.

“This quarter [first quarter of 2004], e-books have hit a high mark for sales,” says Steve Potash, president and CEO of OverDrive and president of the Open eBook Forum, an international trade and standards organization for the electronic publishing industry. Although revenue through the sale of e-books is projected to be a modest \$13 million for 2004, sales are rising. In fact, e-books now are the fastest growing segment of the publishing industry, according to Potash (*BookTech Magazine*, 2004, para. 3). Anderson Consulting estimates that e-books will comprise 10 percent of all consumer book sales in the United States by 2005 – a \$2.3 billion piece of the pie (Sajka and Kerscher, 2000, para. 1).

Given all the optimism, publishers have taken a harder look at their e-book programs and are putting better marketing campaigns behind them (Chiara, 2004, para. 2).

“It’s pretty standard across the industry in that there’s still no one winning model for e-books,” Patrick Durando, director of media technology for McGraw-Hill Professional, told *BookTech Magazine*. “[e-Book] publishing was back to square one a couple of years ago. I think there’s good growth, but the total market is still very small compared to other parts of publishing. That said, there’s a lot of opportunity with e-books, if done the right way” (Chiara, 2004, para. 5).

Pushing what sells well in print is the strategy for most publishers, says Nick Bogaty, executive director of the Open eBook Forum: “It’s clear that what people read in electronic form is what they would read in print, so obviously publishers are going to market electronic books to reflect what’s selling [on the hardcover best-seller list]. There’s a real sales-based focus in the e-

book industry. In past years, everything was new, and people were trying a lot of experiments. We're at the point in our industry where things are selling" (Chiara, 2004, para. 8).

"Consumers will move towards electronic formats for reading, much as they have turned to electronic formats for music and even movies," said Keith Titan, senior director of e-publishing and e-commerce at Simon & Schuster Inc. "Books are going to come to this party, even if it's later than other forms of media" (Trachtenberg, 2004, p. R6).

Although a best seller generates interest in its e-book counterpart, Steve Potash, president and CEO of OverDrive and president of the Open eBook Forum, suggests the decision to publish an e-book is no longer dependent on whether it's a best seller, and titles often are released as hardcovers and e-books simultaneously. Most publishers have the capability to produce an e-book as an extension of their production of a print book (Chiara, 2004, Publish section, para. 4). Also gone are the days when publishers feared e-book sales would negatively affect sales from hardcovers and paperbacks. Most have come to realize that those who buy e-books wouldn't ordinarily buy the printed version. Patrick Durando, director of media technology for McGraw-Hill Professional, says e-books are just another format that may suit a customer's need better than a print book, so in most cases e-book sales supplement print sales. And, while there are few e-book-only products, there will be more opportunity to develop and market "e-only" products as production costs drop and product creation becomes more flexible (Chiara, 2004, Publish section, para. 6).

Convenience is another plus when it comes to e-books. A Palm Pilot can generally hold 10 or 15 books at once, a major convenience when traveling. In addition, at 2 a.m., a student with a book report due the next morning could download the assigned book instantaneously from the

Web – which may explain why George Orwell's *1984* (\$5.99) is the top seller at RosettaBooks (Glazer, 2004, p. 31-32).

Pricing

The current pricing structure for e-books is simple – one book, one user, one price. However, this strategy doesn't maximize the benefits of electronic publishing. Jean Srnecz, senior vice president of merchandising for Baker and Taylor, a leading distributor of books, video and music products to libraries, retailers and other resellers, says in light of the advent of e-books, publishers can and should develop new distribution models that are both appropriate to the content and to readers' specific usage patterns, meaning electronic reference books and electronic romance novels would be priced differently and possibly delivered differently (Srnecz, 2004, slide 3).

e-Books are significantly cheaper – sometimes by 20 to 50 percent less than their print counterparts. The best-selling *The Da Vinci Code* is \$12.11 from eReader.com, compared with \$14.97 for the print version of the book on Amazon.com, not including shipping (Glazer, 2004, p. 31). A new hardcover might sell for \$25, but Simon & Schuster, on an experimental basis, now is offering the e-book version for \$14.99 to capture impulse buys from visitors to its Web site (Trachtenberg, 2004, p. R6).

Successful ventures

While the e-book industry is in its infancy, there are authors, publishers, sellers and distributors that are making money in this sector.

Authors

e-Books are restructuring the publishing market. Traditionally, publishers don't know their customers because wholesalers and retailers serve as intermediaries. In the world of e-books, due in part because e-book purchasers use credit cards instead of cash to make purchases, publishers can get to know and track the behavior of their consumers for the first time (Lynch, 2001, Restructuring section, para. 11).

Many publishers that have entered the e-book market assumed the bulk of sales would be in the genre of science fiction/fantasy. However, the most popular e-book genre is mystery/suspense/thriller, which accounts for 32 percent of e-book sales (Horner, 2004, slide 7). For HarperCollins, the top fiction e-book genre is romance, followed by general fiction, science fiction/fantasy, mystery, thriller and humor (Horner, 2004, slide 8).

Authors are exploring digital books as a new means of reaching audiences. Network-based booksellers like Amazon.com are putting publishers on more equal footing for finding readers. There's an infinite amount of virtual "display space," making university presses and small publishers as accessible as major commercial publishers, or nearly so, through network Web sites. A large number of digital "vanity presses" have emerged to serve authors who cannot find or don't want to work with traditional publishers. These self-publishing services often provide authors with greater control and more generous royalties than traditional publishers (Lynch, 2001, Restructuring section, para. 2).

A mix of modern and classic fiction authors are selling well in e-book form, according to HarperCollins, including:

- Stephen King
- Dan Brown

- Michael Crichton
- Jeffrey Deaver
- James Patterson
- Ernest Hemingway
- James Joyce
- Scott Adams
- Neal Stephenson
- Anne Tyler
- Anne Rice
- F. Scott Fitzgerald
- Zora Neale Hurston (Horner, 2004, slide 3).

Lack of reader interest caused Stephen King's Internet novel *The Plant* to wither on the electronic vine after just six chapters were posted on the author's Web site. However, King's first and most successful Internet publishing project, *Riding the Bullet*, was a fan pleaser (Bandler, 2002, p. R6). And, in fall 2004, eReader made King's best-selling *Dark Tower* available for download one minute after midnight on the day of its print release (Glazer, 2004, p. 31).

In 2002, Simon & Schuster published all 23 of its Ernest Hemingway titles electronically through an agreement with the executors of Hemingway's estate. This was believed to be the first time that so many titles by such a prominent author were made available in e-book format (Trachtenberg, 2002, p. B7).

Some authors believe all e-books should be free of software protection limits. Author Cory Doctorow, an advocate for less restrictive digital rights at the Electronic Frontier

Foundation, made his first novel available free online. He argues that digital content's unique forms of adaptability – to e-mail, computerized cut-and-paste and software translation engines – are all areas where paper books lag. In his view, anyone who puts a software lock on an e-book is crazy (Glazer, 2004, p. 32).

Publishers

In addition to its deal with Random House in 2002, RosettaBooks signed deals with book distributors Baker & Taylor Inc. and Follett Corp. to distribute its books to public and school library systems (Trachtenberg, 2004, p. R6).

“Right now a successful e-book sells 1,000 copies, but if we get into the classroom, 20,000 may be possible,” said Arthur Klebanoff, CEO of RosettaBooks. “We just don't know yet what types of content will be the most appealing, and which business models will work best” (Trachtenberg, 2004, p. R6).

HarperCollins offers buy one, get one free deals on certain e-book titles and is letting customers “test drive” the first three chapters of any e-book free of charge. According to the company, its e-books are usually priced 20 percent lower than the lowest-priced printed version. David Steinberger, president of corporate strategy and international sales for HarperCollins, told *The Wall Street Journal* that the company's e-book unit has seen a “big lift” in sales recently through promotional efforts and price discounts and now is selling thousands of e-books a month (Bandler, 2002, p. R6).

Random House continues to invest heavily in building its e-book division, which is enjoying higher growth rates than the industry average (Green, 2003, para. 13). The company leads the pack with 2,500 electronic titles among all its imprints, but that's still small compared with the 24,000 books in its print catalog (Glazer, 2004, p. 32). To help ease consumers into

buying e-books, the company allows customers to read the first chapter of any book for free on ContentLink.com, its e-book Web site.

Vendors

OverDrive, a vendor of e-book solutions for libraries and retailers, has been successful in serving the library industry with digital media. Customers include the New York, Denver, Cleveland and San Jose, Calif., public library systems (InternetWeek, 2004, para. 9).

Adobe Acrobat Reader, one of the most popular free e-book reader software packages, is downloaded by 1 million users a day, and the software has been licensed by more than 500 million users, according to Tom Prehn, the company's senior business development manager for e-publishing (Graham, 2003, para. 4).

Sellers

Clickbank, an online marketplace, gives authors, regardless of pedigree, the ability to sell e-books with the incentive of giving affiliate marketers huge commissioned royalties (Munarriz, 2003, para. 8).

While Amazon.com is best known for its shipped goods, it also sells e-books at a substantial discount to its printed counterpart (Munarriz, 2003, para. 8).

eReader.com, formerly Palm Digital Media, sells more than 13,000 e-book titles from more than 80 publishers. The books can be read on Palm, Sony Clie, Handspring Visor and Pocket PC handheld computers, as well as Windows- and Macintosh-based computers. The company has a customer base of more than 225,000 (InternetWeek, 2004, para. 5).

At Fictionwise.com, which sells fiction and nonfiction e-books, a slow, steady growth has allowed the company to be able to offer its more than 100,000 customers more than 15,000 e-book titles, many of them best sellers. To entice readers, the company offers e-book giveaways,

15 percent off promotions and contests. In addition, customers can join its Buywise program for \$29.95 a year to receive free books, discounts and access to an extensive lending library (Green, 2003, para. 27).

“Our primary customers are male professionals between 35 and 60, but we are also seeing growth in genres like romance,” said Scott Pendergrast, co-founder of Fictionwise.com (Green, 2003, para. 28). In 2004, the company announced agreements with HarperCollins and Random House to distribute both companies’ titles on its eBookwise.com Web site (Fictionwise, 2004, para. 1).

Distributors

Project Gutenberg boasts providing users access to more than more than 10,000 electronic documents, many of which are classics whose copyrights have lapsed. The venture’s philosophy is simple: To make information, books and other materials available to the general public in forms that people can easily read, use, quote and search (Project Gutenberg, 2002, History & Philosophy section). This groundbreaking project became both the first Internet information site and the world’s first digitized library. Founder Michael Hart himself typed in the first hundred books. When the Internet became widely used, in the mid-1990s, the project got a boost and an international dimension. Hart still typed and scanned in books, but now coordinated the work of dozens and then hundreds of volunteers in many countries (Lebert, 2004, para. 2).

The number of e-books on the site rose from 1,000 in August 1997, to 2,000 in May 1999, 3,000 in December 2000, and 4,000 in October 2001. Project Gutenberg had 5,000 books online in April 2002, and topped 10,000 in October 2003, when it had a team of 1,000 volunteers around the world making 350 new books available every month. Hart hopes to have a million available by 2015 (Lebert, 2004, para. 3).

The Project Gutenberg Library is divided into three sections: Light Literature (such as *Alice in Wonderland*, *Through the Looking Glass*, *Peter Pan*, *Aesop's Fables*); Heavy Literature (such as the *Bible*, *Moby Dick*, *Paradise Lost* and the works of Shakespeare); and References (such as *Roget's Thesaurus*, almanacs, encyclopedias and dictionaries).

Unsuccessful ventures

Authors

Many best-selling authors like John Grisham, Tom Clancy and J. K. Rowling still are not available electronically (Glazer, 2004, p. 32).

The New York Times reported that despite British author J.K. Rowling's reluctance to authorize any of her Harry Potter books into electronic format, a growing number of devotees around the world are embracing the prospect of reading the latest book in the series, *Harry Potter and the Order of the Phoenix*, on the screen instead of in print. Furthermore, some of them are assisting in the cumbersome process of scanning, typing in or translating the book's 870 pages. Free English-language copies of the book – along with fan-written stories masquerading as the real thing – are available on major file-sharing networks in a variety of file formats (Harmon, 2003, p. C1). The print version of the book retails for \$29.99 in hardcover and \$9.99 in softcover.

Mike Seagroves, director of business development for Palm Digital Media, a commercial distributor of e-books, told *The New York Times* that when his company approached Scholastic, the American publisher of the Harry Potter books, about an e-book version for the fourth book in the series, it was given the impression that Rowling wanted a \$1 million advance. When Seagroves estimated that only about \$8 million to \$10 million in e-books would be sold that

year, the sum seemed exorbitant. Neil Blair, a representative from Rowling's literary agency, said the figure was incorrect but reiterated that there were no plans to publish an e-book despite pleas from fans, including a petition from American fans (Harmon, 2003, p. C1).

Sellers

In a surprise move in 2003, Barnes&Noble.com Inc. ended its sale of e-books. The decision was particularly striking because Barnes&Noble.com assumed a leading role in pushing e-books, even offering readers free e-book copies of *The Book of Counted Sorrows*, an original work of fiction by Dean Koontz. Despite this, the retailer said that general readers never embraced the format (Trachtenberg, 2003, p. B4).

Marie J. Toulantis, chief executive of Barnes&Noble.com, said the decision was made in part because the industry didn't develop quickly enough. e-Books, she said, aren't user friendly or price friendly. In addition, publishers failed to make enough of a pricing distinction between hardcovers and their e-book counterparts (Trachtenberg, 2003, p. B4).

Vendors

Also rushing to stake an early claim in the industry was Gemstar-TV Guide International Inc., a technology and media company based in Los Angeles. In early 2000, the company acquired NuvoMedia Inc., the maker of the Rocket eBook reader, and SoftBook Press Inc., which produced the SoftBook Reader. The stock transactions were valued at a total of about \$400 million. But in June 2004, Gemstar-TV Guide International acknowledged that its investments had soured and weren't generating enough revenue. The company has ended sales of its reader and its e-books (Trachtenberg, 2004, p. R6).

Publishers

In 2001, AOL Time Warner folded its separate e-publishing unit back into its main operation. In addition, well-funded digital-rights and electronic-publishing start-ups NetLibrary Inc. and Reciprocal Inc. filed for Chapter 11 bankruptcy-court protection, and MightyWords Inc., credited for inspiring Stephen King's *Riding the Bullet* project, closed its doors (Bandler, 2002, p. R6).

Reader Perspective

Fans of cell phone reading say they forget about the size of the screen once they get absorbed in a good plot, and that they can increase the type size to make it easier on the eyes (Glazer, 2004, p. 31). Sarah Glazer recounts in *The New York Times* that while a friend of hers was reading Kitty Kelley's book *The Family: The Real Story of the Bush Dynasty* on his Treo smart phone, he text-messaged a particularly damning paragraph about the Bush family to her cell phone.

Another perk for e-book readers, appropriate or not, is that readers can look like they are doing work at the office, when in fact they are reading a book. Another e-book enthusiast uses the technology to catch up on the latest James Patterson thriller in the car instead of criticizing her husband's driving (Glazer, 2004, p. 31).

Rebecca Kroll of Scotch Plains, N.J., a live-in caretaker for an autistic teenager, told *The New York Times* that she reads three or four e-books a day and purchases 50 to 100 a week, an expensive habit that she says costs her up to \$400 weekly. Before she discovered e-books a little over a year ago, 12,000 books crammed her apartment from floor to ceiling, leaving her desperate for more shelf space. Although Kroll says she was initially uncomfortable with

computers, she now does most of her reading on a laptop and stores thousands of romance and science fiction fantasy novels on two computer disks. Another advantage of the laptop, she says, is that it permits her to listen to e-books that are formatted with a text-to-speech option while she's cooking or knitting. Kroll also likes the relative anonymity of purchasing e-books from Web sites that specialize in female-oriented erotica, something she was uncomfortable purchasing in person (Glazer, 2004, p. 31).

Impact on libraries

Libraries are breaking free from the limitations of physical location by making many kinds of materials and services available at all times to patrons who are both cardholders and Web surfers, whether they are homebound in the neighborhood or halfway around the world.

In libraries, going digital has clear advantages over paper by eliminating problems with lost or damaged copies of books and allowing all patrons to get a hold of hot-selling titles.

"e-Books are perfect for today's librarian," says Tom Prehn, senior business development manager for e-publishing at Adobe Systems. "It helps them meet their mission for 24-hour access to information, and they can do it very cost-effectively." Adobe is working with distributors Baker & Taylor and OverDrive to help libraries in numerous cities set up e-book collections (Becker, 2004, Content section, para. 11).

The newest books in the New York Public Library don't take up any shelf space. The library recently made 3,000 e-book titles – including best sellers, nonfiction, romance novels and self-help guides – available to its 1.8 million cardholders. In the first eight days of operation in early November 2004, cardholders checked out more than 1,000 e-books and put another 400 on waiting lists (the library has a limited number of licenses for each book) (Gnatek, 2004, para. 3).

Baker & Taylor, which distributes the e-books of more than 200 publishers and imprints, recently struck agreements with numerous public libraries to distribute e-books to their patrons. The company said it believes that because libraries are usually ahead of the technology curve, as e-book devices become more portable and the reading experience improves, libraries will increasingly adopt electronic lending policies (Trachtenberg, 2004, p. R6).

Cherry Hill (N.J.) Public Library recently selected Digital Library Reserve, a provider of library solutions for lending digital materials, and OverDrive, a digital content vendor, to develop the Cherry Hill eBook Catalog and Download Center. The venture is enabling the library to continue to provide books to more than 70,000 citizens during the construction of the library's new facility without librarians, administrative staff and a physical building. Via a Web site, patrons can browse, check out and download popular fiction and reference materials. The library's digital collection includes bestsellers, classics, fiction and non-fiction from popular authors and leading publishers such as HarperCollins, McGraw-Hill, Zondervan and John Wiley and Sons. Patrons download free reader software and then check out and download e-books in either PDF or Mobipocket format. At the end of the lending period, the e-books automatically expire and return to the online collection (Jackson, 2004, para. 4).

Park Ridge (Ill.) Library, Denver Public Library, King County (Calif.) Library, San Jose (Calif.) Public Library, Cuyahoga County (N.Y.) Library and the Cleveland Public Library also have contracted with OverDrive for its Digital Library Reserve service (InternetWeek, 2004, para. 11).

At Upper Saddle River (N.J.) Library, nearly 200 e-books are available for download. The books can be read on personal computer, laptop or PDA. Even though the entire book can be viewed on the screen, the books are fully copyrighted, and if a user tries to print more than three

pages per day, the system kicks the user off. The system will delete the book from the patron's PC or PDA after two weeks (Coutros, 2004, p. L1).

“Even though they've been around for a number of years now, e-books are still really in their infancy, mostly because of technology issues,” says Arlene Sahraie, library services director for the Bergen County (N.J.) Cooperative Library System. “From a library's vantage point, one huge plus is that they take up no space beyond the hard drive on which they're stored” (Glazer, 2004, p. 31).

The University of Virginia library, which makes 1,800 titles available free from its Web site, has sent more than 8.5 million downloadable books to readers since it started the service in August 2000 (Glazer, 2004, p. 32).

However, no matter how good the content is, libraries need to promote e-reading and e-books to patrons via promotions on Web sites and in print newsletters; in-library signage and printed materials; ongoing patron education; and e-book reading groups (Horner, 2004, slide 11).

New markets

After years of hype, e-books are at last becoming a popular reading format, particularly for commuters, vacationers and business travelers. Both online booksellers and libraries are using e-books to expand their reach (InternetWeek.com, 2004, para. 1). Mike Violano, vice president and general manager of eReader, attributes the growth of the e-book market to new audience segments, especially women (*BookTech Magazine*, 2004, para. 4).

“Ten years ago there was [fear among publishers] that digital versions of titles would detract from print sales,” explains Steve Potash, president and CEO of OverDrive and president of the Open eBook Forum, in *BookTech Magazine*. Today, however, “Everyone knows that e-

books add to the ROI. There's no dilution of their print brands, and by publishing e-books, they introduce their authors and titles to a new audience" (Chiara, 2004, Publish section, para. 7).

Retailers say that the market, which used to be dominated by computer-savvy male readers of science fiction, has expanded in the past year or two to include a growing number of female readers. And while science fiction remains a top seller, female romance readers now compose one of the fastest-growing markets for digital books, perhaps because many are voracious readers who race through all the sequels in a series (Glazer, 2004, p. 31).

One segment of "readers" in particular is expected to be profoundly impacted by this new technology. Through e-books' audio capabilities, published material now is accessible to blind readers at the time of publication, not years later after the works are converted to audio. e-Book technology allows blind and vision-impaired readers to "listen" to e-books via technologies that enable text to be read aloud with a synthetic speech processor. Technology simplifies the reader's ability to navigate through the book's contents, and provides full text that can be automatically displayed in Braille or in large print fonts. And, it preserves the feature most blind readers particularly cherish in traditional talking books – audio recordings of narrators reading the text aloud (Sajka and Kerscher, 2000, Historical section, para. 2).

Recommendations

For the e-book industry to be successful, publishers and authors must work together to develop the right delivery models for consumers. Publishers must be willing to experiment, and should look for success in unexpected areas (Srncz, 2004, slide 6).

Education is the key to getting more consumers to try e-books, according to the results of a 2003 consumer survey about e-books sponsored by the Open eBook Forum. People who had

read articles about e-books were more likely to have read or bought an e-book, according to the survey (Henke, 2003, p. 20).

The Future of e-Books

Not surprising, according to respondents to Open eBook Forum's *Survey on Electronic Book Features*, readers want to have options. They want to control their reading experience by being able to customize the content to fit their needs, such as the ability to change font size, type and colors used in the book. Through their suggestions, respondents reinforced their desire to "manage" how the content is presented to them. (Information was collected through a targeted Internet-based survey of people who had attended a conference on e-books; belonged to a trade organization where the primary activity is associated with promoting e-books and electronic publishing; had conducted and published research on e-books; and/or belonged to professional association or group that consists of authors, editors and others who are likely to create e-books or read e-books) (Henke, 2002, p. 4).

These suggestions are significant, in that they show that readers want to control e-books in a way that is not feasible with traditional print books. Since the author and publisher controlled the presentation of traditional print books, people had few choices other than large-print books or specialty printed books with added illustrations or improved topography. Now, readers want to apply their own preferences to e-books, and can through emerging technologies (Henke, 2002, p. 4).

Chapter III

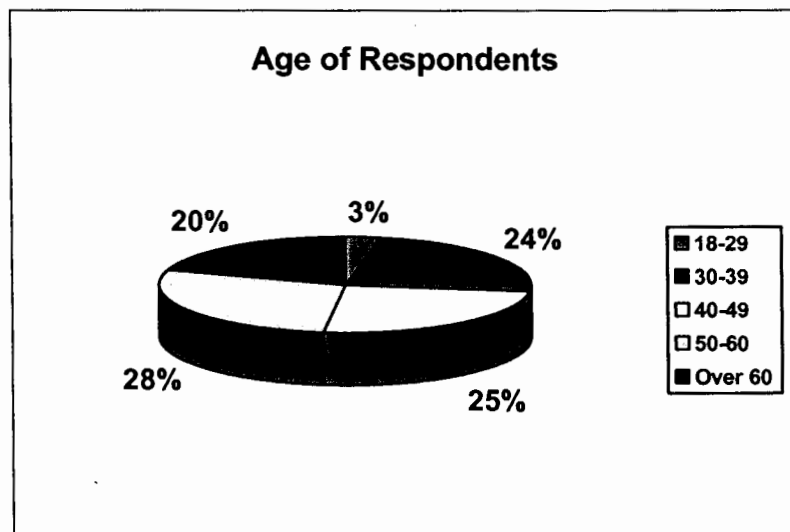
Method

Research for this thesis was conducted via online surveys and a review of the prevailing literature on the subject. An online survey (Appendix B) was administered through Zoomerang.com to consumers with an interest in books, including members of readers' groups on Yahoo! Groups. A second online survey (Appendix C) was administered to members of the New Jersey Romance Writers Association and members of authors' groups on Yahoo! Groups.

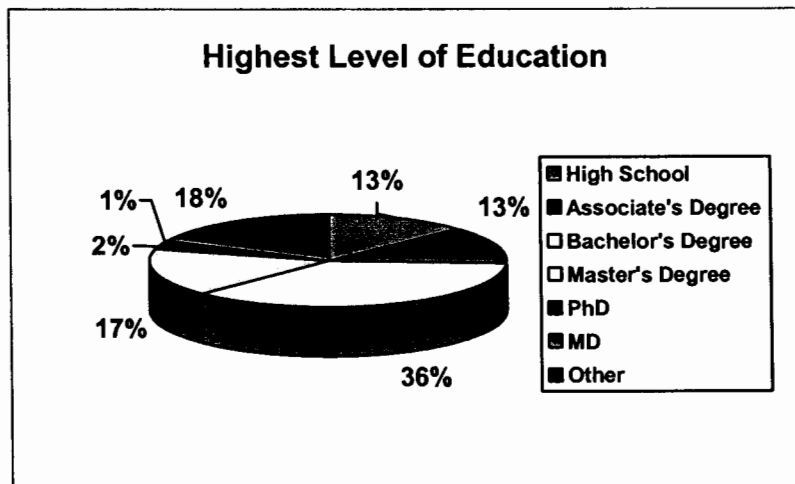
Findings

Results of Author Survey

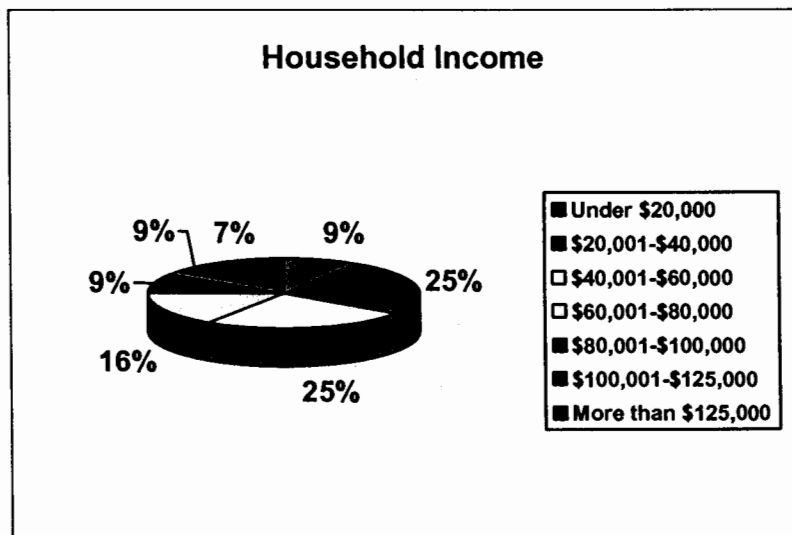
The majority of 126 authors responding to the survey felt positively about e-books and their potential impact on the American fiction market. Let's look at the demographics of the respondents first:



Source: Author Survey (Kastel, 2005).



Source: Author Survey (Kastel, 2005).



Source: Author Survey (Kastel, 2005).

- 32 percent have written three to five books
- 79 percent have had at least one book published. Most (52 percent) have published three or more books
- 87 percent write fiction

- 76 percent of the authors consider themselves “expert” or “knowledgeable” about computers and the Internet
- All of the respondents have heard of e-books
- 63 percent have had at least one e-book published
- 91 percent of the authors said e-book sales will “significantly increase” or “increase” in the next five years
- 83 percent said they think e-books can help authors reach more readers

When asked to explain why they thought e-books could help reach more readers, the authors’ reasons varied, but most fell into one of four categories – portability, price, reaching underserved populations and the ability to bring new subjects to the market.

“Theoretically, the book file can go via the Internet anywhere in the world where there is an online facility,” explained Jane Bierce, who identified herself in the survey as the president of the Electronically Published Internet Connection, an association of published authors, electronic publishers, editors and other publishing professionals.

A published author says, “The Internet connects people from all over the world. That’s many more readers for an author to acquire.”

“e-Books are becoming more and more popular. Print books are becoming more and more expensive. As hand-held devices come down in price and people get more comfortable reading on them, there is bound to be a shift,” says another author. “At the moment, print sales are stable or in the red, while e-book sales increase every year.”

“I think many readers are looking for something new and fresh, and many e-books being published today by small, independent e-publishers fulfill that need,” explains another published author. “Because of the low costs in producing an e-book, a publisher can take the chance and

publish work that falls outside the box. Also, by being able to market, sell and download work easily online, readers are finding e-books [to be] an attractive alternative to traditional print books.”

Another published author adds, “Although the market is not large now, it is growing, and there are readers who can/will read e-books who cannot/will not read print books. These include blind or visually impaired readers or those with other disabilities that make holding a book difficult, as well as younger readers who are attracted to electronic reading because they are used to TV, video, electronic games, etc.”

“From what I've heard, more and more people are downloading e-books. Kids today are growing up with computers, so it is perfectly normal for them to read books on a computer. And with pocket computers/Palm Pilots so popular, reading e-books is made even easier,” explains an unpublished author.

Another published author had a lot to say about the subject:

Though marketing is still limited and the number of buyers/readers isn't huge, I think e-books are a growth industry. e-Books are reaching the audience tired of cookie cutter-type commercial fiction. e-Books are/will be appealing to the next generation of readers ... those kids who expect to find everything they need on the Internet. e-Books can be purchased by readers worldwide. So, the first day an e-book is out, it might be purchased by a reader in Pakistan or Germany and not just by readers in America. e-Books don't go out of print unless the publisher and author want them to, and then they can easily be brought out again somewhere else in short order. That means that I can continue to sell the same books for years and not just have them available for a year or so. Over time, the sales have a chance to mount much higher than a print book from a mid-list author might.

The e-publishing business is in its second major growth cycle. Depending on whose numbers you use, the last three years have shown between 60 and 100 percent increase in e-book sales per annum. That doesn't make up for the drop in New York print sales yet, but eventually it will. Since these books don't go out of print, as new readers come into the market, they can follow an author back through an entire backlist without breaking a sweat. e-Books traditionally allow for authors to write books that they (and readers) want to read, books that New York has not decided to embrace yet, and may never fully embrace. Once this becomes clear to readers, I think we'll see even more readers heading to e-books to find something new. School students are educated in using e-books and e-media from the age of three or less in most areas of the country. These are the 'next generation' readers. Though it wasn't their intent, Baen's [a Web site that markets science fiction] free library has served to introduce many readers who would never have considered e-books to the possibility of buying books in these formats. In the same way, the fact that New York bestsellers are now selling in e-book [format] on Fictionwise and the other major reseller sites brings readers into the loop.

Another author writes, "I believe e-books will reach people who ordinarily wouldn't read paper books ... I also believe that e-books will replace paper for people who don't wish to have the physical books in their possession, people who travel and want books, and people who want large print books and have trouble finding good ones. I own two e-readers that allow my elderly husband to read with large print [type]."

For another survey-taker, the value of e-books lies in their ability to bring new subjects to the market: "It can introduce new authors and fringe sub-genres into the marketplace that otherwise wouldn't get published in the highly competitive print market."

Another published author said e-books reach more readers because “there is a whole lot more original, not to mention cutting-edge, work to be found in e-books, especially those from independent publishers. [Additionally,] backlist titles are available that are either out of print or nowhere to be found in brick-and-mortar bookstores. Ditto public domain classics, as my oldest son, to whom I gave an eBookwise 1150 wireless e-reader for Christmas, has just discovered to his everlasting delight.”

“I believe e-books will take the place of paper books as the paper supply keeps dwindling,” explains a published author. “I see e-books as a boon for students who could carry one e-reader weighing a pound or so instead of a backpack weighing 50 or more pounds. I’m not ready to give up paper books, but I do believe in my lifetime e-books will take over a large share of the market.”

An unpublished author writes, “I would have said no except I saw a friend of mine who published [an e-book] get her book [listed] on Amazon.com and then it was picked up by a major publishing house.”

“You have a market that is capable of reaching millions of people,” explains another published survey-taker. “It is possible for a potential reader to ‘check out’ one of your books at any time, from any place in the world with the move of a mouse. Many who wouldn’t take the time to go to a store to purchase your book can do so from the comfort of their home or work. That’s a captive audience for a writer.”

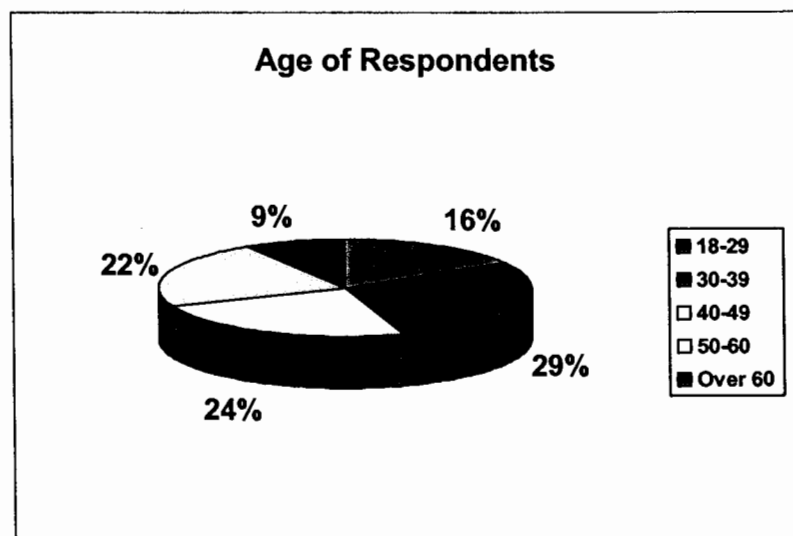
Another published author writes, “It’s just one more possible avenue, even if currently the numbers are small. My book, for example, is available to libraries through NetLibrary.com, and there are lots of libraries that have purchased the electronic version that might not otherwise have

purchased the hard copy. Also, I think the technology will eventually improve such that hand-held devices will become a more attractive option (a la the current iPod craze).”

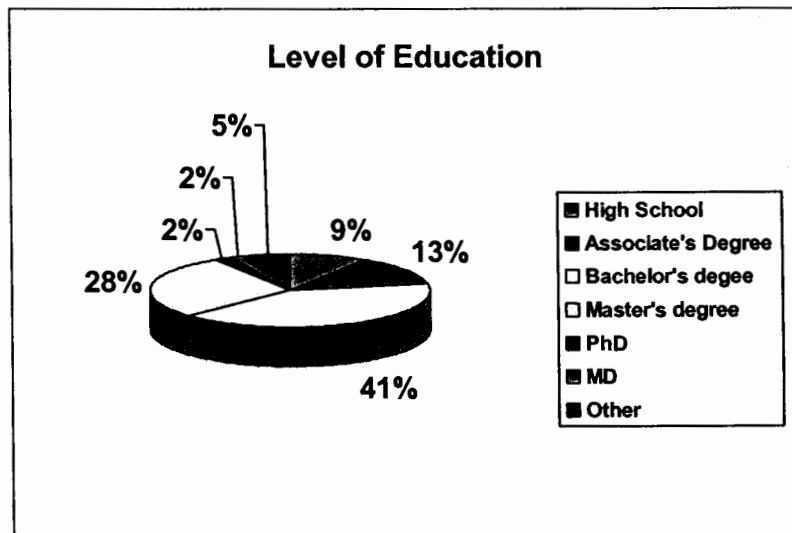
“More people are using computers in professional and private practice,” explained another published author. “Even those who do not shop for books in stores might be apt to download an interesting book. e-Books are a cheaper way to go for those who do not wish to spend \$20 to \$40 for a book they might read only once. Purchasing e-books is painless and simple.”

Reader results

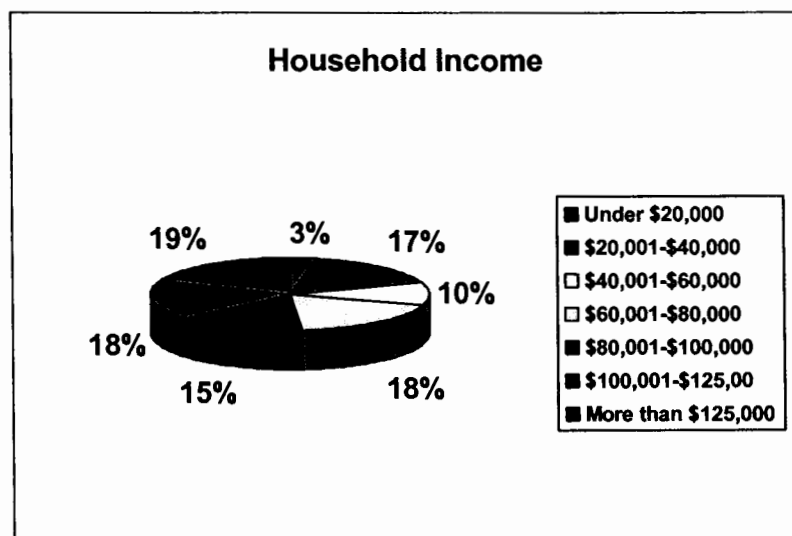
Before delving into the survey results, let’s look at the demographics of the 188 readers who took the survey.



Source: Reader Survey (Kastel, 2005).

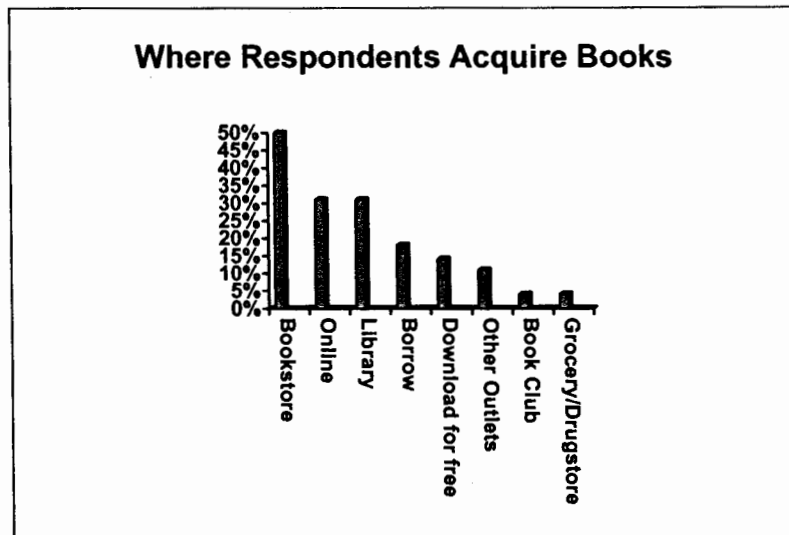


Source: Reader Survey (Kastel, 2005).



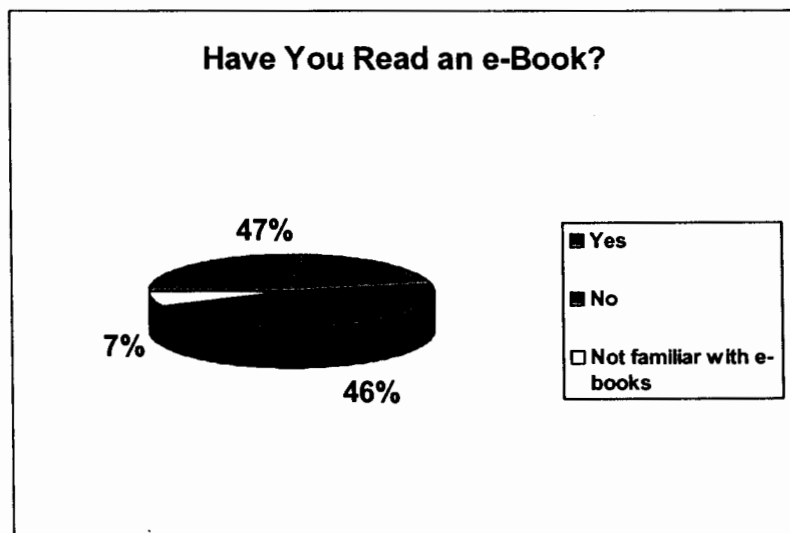
Source: Reader Survey (Kastel, 2005).

- 74 percent read between one and five books a month
- 77 percent read fiction
- In terms of where they acquire books most often, respondents said:



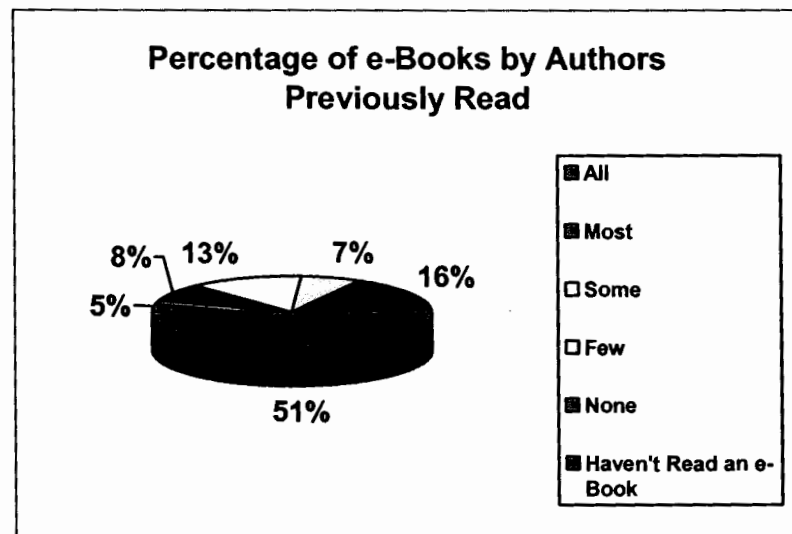
Source: Reader Survey (Kastel, 2005).

- 74 percent of readers consider themselves “expert” or “knowledgeable” about computers and the Internet
- 83 percent of readers have heard of e-books. However, when asked if they have read an e-book, the survey revealed:



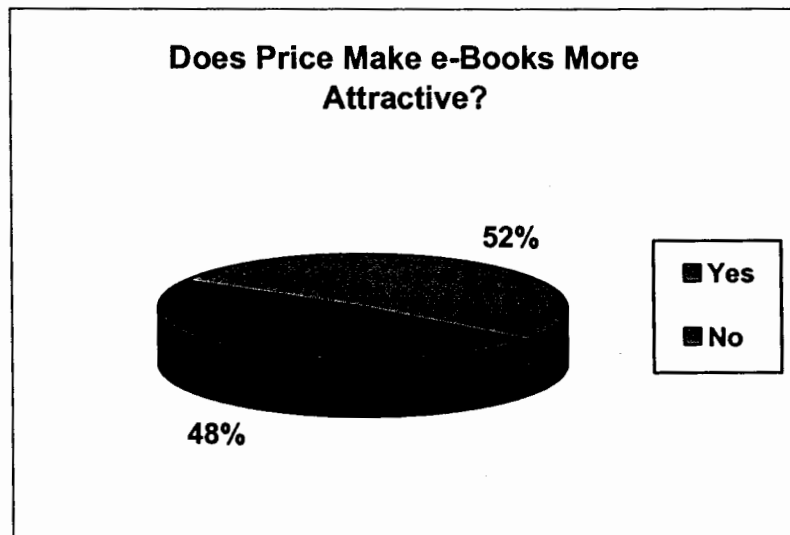
Source: Reader Survey (Kastel, 2005).

- 44 percent of readers said that at least some of the e-books they have read were written by authors that they have not previously read in print:



Source: Reader Survey (Kastel, 2005).

- When asked if they would be interested in reading an e-book by an author unfamiliar to them, 76 percent of readers said “yes” or “maybe.”
- When asked if they would be interested in reading an e-book on a hand-held device, 64 percent of readers said “yes” or “maybe.”
- Surprisingly, cost isn't much of a factor, according to the survey:



Source: Reader Survey (Kastel, 2005).

Conclusion

The future of e-books and e-publishing is bright. Both readers and authors agree that the medium is beneficial and burgeoning. However, by Malcolm Gladwell's definition, e-books have not reached the tipping point. Celebrities aren't seen reading them, Oprah isn't giving e-readers away to her studio audience, and e-books aren't being conspicuously placed in episodes of "The Apprentice" or "Survivor."

But don't blink – This research suggests that e-books might replace iPods as the new hip thing. However, central to this tip, in the author's opinion, are two mini-tips: a) the technology must lose its science fiction stigma and b) reading must become cool again. Quick solution? Oprah's next book club selection needs to be an e-book!

Appendix A

Solicitation to authors to take survey

I am a graduate student at Seton Hall University in South Orange, N.J. I am conducting a survey to complete my thesis on the impact of electronic books on the American fiction market. This thesis will be submitted in partial fulfillment of my master's degree in corporate and public communication.

The information collected will be kept confidential and will be used strictly for academic purposes. Please feel free to forward the Web link to this survey to others.

Please access the survey for authors at:

<http://www.zoomerang.com/survey.zgi?p=WEB22447G65PGH>

I am also conducting a survey of readers. To complete that survey, please visit:

<http://www.zoomerang.com/survey.zgi?p=WEB22446294TFL>

Your assistance and time are greatly appreciated.

Jodi Kastel

Candidate for Master of Arts - Corporate and Public Communication
Seton Hall University Class of 2005

Appendix B
Survey for Authors

1. How many books (print or electronic) have you written?
 0-2 3-5 6-8 9-11 12 or more
2. How many books (print or electronic) have you had published?
 0-2 3-5 6-8 9-11 12 or more
3. What types of books do you typically write?
 Fiction Nonfiction
4. Regarding computers and the Internet, I consider myself:
 An expert Knowledgeable Somewhat knowledgeable Not very knowledgeable Lost
5. Have you heard of the term electronic book, or e-book? *Please note: An e-book is a digital book produced in a variety of electronic formats, including Adobe, Microsoft, Palm OS, Pocket PC and Mobireader. Typically, e-books are downloaded from a Web site and special programs or devices are needed to read them.*
 Yes No
6. Have you ever published an e-book?
 Yes No Not familiar with e-books
7. Do you think publishing e-books can help authors reach more readers?
 Yes No
 Why or why not? _____

8. In the next five years, do you think e-book sales will:
 Significantly increase Increase Remain the same Decrease Significantly decrease

Please answer a few questions about yourself. All information will be kept confidential.

Age: Under 18 18-25 26-30 31-36 37-40 41-45 46-50 51-55
 56-60 Over 60

Education: High School Associate's Degree Bachelor's Degree Master's Degree PhD

Annual Household Income: Under \$20,000 \$20,001-\$30,000 \$30,001-\$40,000
 \$40,001-\$50,000 \$50,001-\$60,000 \$60,001-\$70,000 \$70,001-\$80,000 \$80,001-\$90,000
 \$90,001-\$100,000 More than \$100,001

Appendix C
Solicitation to Readers

I am a graduate student at Seton Hall University in South Orange, N.J. I am conducting a survey to complete my thesis on the impact of electronic books on the American fiction market. This thesis will be submitted in partial fulfillment of my master's degree in corporate and public communication.

The information collected will be kept confidential and will be used strictly for academic purposes. Please feel free to forward the Web link to this survey to others.

Please access the survey for authors at:

<http://www.zoomerang.com/survey.zgi?p=WEB22447G65PGH>

I am also conducting a survey of readers. To complete that survey, please visit:

<http://www.zoomerang.com/survey.zgi?p=WEB22446294TFL>

Your assistance and time are greatly appreciated.

Jodi Kastel

Candidate for Master of Arts - Corporate and Public Communication
Seton Hall University Class of 2005

Appendix D
Survey for Readers

1. Approximately how many books (print or electronic) do you read a year?
 0-2 3-5 6-8 9-11 12 or more
2. What types of books do you typically read?
 Fiction Nonfiction I don't read (*Please skip to question 8*)
3. Where do you buy books most often?
 Bookstore Book club Online Grocery/drug store Borrow from friends
4. Regarding computers and the Internet, I consider myself:
 An expert Knowledgeable Somewhat knowledgeable Not very knowledgeable Lost
5. Have you heard of the term electronic book, or e-book? *Please note: An e-book is a digital book produced in a variety of electronic formats, including Adobe, Microsoft, Palm OS, Pocket PC and Mobireader. Typically, e-books are downloaded from a Web site and special programs or devices are needed to read them.*
 Yes No
6. Have you ever read an electronic book (e-book)?
 Yes No Not familiar with e-books
7. Of the e-books that you have read, what percentage were books by authors you have previously read in print format?
 All Most Some Few None Haven't read an e-book
8. Would you be interested in reading an e-book by an author that you have not heard of before?
 Yes No Maybe
9. Would you be interested in downloading and reading an e-book on your Palm Pilot, cell phone, computer or other device?
 Yes No Maybe
 Why or why not? _____

10. Fiction e-books typically cost less than most paperback books (Prices range from free to about \$10). Does this making buying e-books more attractive to you?
 Yes No Maybe

Please answer a few questions about yourself. All information will be kept confidential.

Age: Under 18 18-25 26-30 31-36 37-40 41-45 46-50 51-55
 56-60 Over 60

Education: High School Associate's Degree Bachelor's Degree Master's Degree PhD

Annual Household Income: Under \$20,000 \$20,001-\$30,000 \$30,001-\$40,000
 \$40,001-\$50,000 \$50,001-\$60,000 \$60,001-\$70,000 \$70,001-\$80,000 \$80,001-\$90,000
 \$90,001-\$100,000 More than \$100,001

Appendix E
Review of Publishers' Web sites

Publisher	Major U.S. Imprints	Authors	e-Book Features
HarperCollins	Access, Amistad, Avon, Caedmon, Dark Alley, Ecco, Eos, Fourth Estate, Harper Design, HarperAudio, HarperBusiness HarperCollins, HarperEntertainment, HarperLargePrint, HarperResource, HarperSanFrancisco, HarperTorch, Perennial, Perennial Currents, PerfectBound, Rayo, ReganBooks, William Morrow	Clive Barker, Michael Crichton, Jamie Lee Curtis, Louise Erdrich, Janet Evanovich, Barbara Kingsolver, Stephanie Laurens, Dennis Lehane, Lisa Scottoline, Lemony Snicket	"e-Books" is a channel off of the home page; sends user to its e-book site (us.perfectbound.com), which includes FAQs about buying and reading e-books; best seller list; e-book deals, e-newsletter, featured authors, new and notable e-books
Henry Holt	Henry Holt, Metropolitan Books, Owl Books, Times Books, College Board	Erich Fromm, Robert Frost, Hermann Hesse, Norman Mailer, H.G. Wells, Rick Atkinson, Paul Auster, Tony Horwitz, David Levering Lewis, Thomas Pynchon	No link or mention of e-books
Hyperion	Talk Miramax, ESPN Books, ABC Daytime Press, Hyperion East, Hyperion Audiobooks	Mitch Albom, James Lee Burke, Candace Bushnell, Cassandra King, Steve Martin, T. Jefferson Parker, Ridley Pearson, Nancy Taylor Rosenberg	No link or mention of e-books
Penguin Group	Ace, Alpha, Avery, Berkley, Chamberlain Bros., Dutton, Gotham, Putnam, HPBooks, Jeremy P. Tarcher, Jove, NAL, Penguin, Perigee, Plume, Portfolio, Riverhead, Sentinel, Viking	Dorothy Allison, A. Scott Berg, Maeve Binchy, Tom Clancy, Robin Cook, Patricia Cornwell, Catherine Coulter, Clive Cussler, Helen Fielding, Ken Follett, Sue Grafton, W. E. B. Griffin, Nick Hornby, Jan Karon, Anne Lamott, Terry McMillan, Jacqueline Mitchard, Toni Morrison, Joyce Carol Oates, Robert B. Parker, Nora Roberts, John Sandford, Carol Shields, Amy Tan, Kurt Vonnegut	No link or mention of e-books on home page. "Advanced Search" function allows users to search for a variety of book formats, including Adobe Reader, Gemstar, Microsoft Reader, Mobi, Palm Reader and Peanut Press e-book formats.
Random House	Bantam Dell Publishing Group, Crown Publishing Group, Doubleday Broadway Publishing Group, Knopf Publishing Group, Random House Audio Publishing Group, Random House Diversified Publishing Group, Random House Information Group, Random House Publishing Group, Random House Ventures, Ballantine Books, Del Rey, Del Rey/LucasBooks, Fawcett, Ivy, One World, Wellspring, Vintage, Schoken, Anchor, Pantheon	Martin Amis, Margaret Atwood, Nicholson Baker, Elizabeth Berg, Maeve Binchy, Anita Brookner, A.S. Byatt, Sandra Cisneros, Joan Didion, Fannie Flagg, Gail Godwin, John Irving, Cormac McCarthy, Rohinton Mistry, Toni Morrison, Alice Munro, Chaim Potok, Tom Robbins, Philip Roth, Jane Smiley	"e-Book" link on upper right of home page, plus "RH e-books" button on lower left of home page; takes user to its e-book site (contentlinkinc.com), which features free e-book samplers, e-book e-newsletter, FAQs, best-seller list, free e-book reader software
Simon & Schuster	Atria Books, Kaplan, Pocket Books, Scribner, Simon & Schuster, The Free Press, Touchstone Group, Fireside Group	V.C. Andrews, Dan Brown, Sandra Brown, James Lee Burke, Mary Higgins Clark, Jackie Collins, Clive Cussler, Don DeLillo, Barbara Delinsky, Joy Fielding, Stephen King, Ed McBain, Colleen McCullough, Larry McMurtry, Judith McNaught, E. Annie Proulx, Robert K. Tanenbaum	"Shop e-Books" button on top right of home page. e-Book section features FAQs, e-newsletter, 20% off offer, new releases, best-seller list, free e-book reader software
Time Warner	Warner Books, The Mysterious Press, Warner Vision, Warner Business Books, Aspect, Warner Faith, Little, Brown and Company, Little, Brown Adult Trade, Back Bay, Bulfinch Press	Robert James Waller, Nelson DeMille, Nicholas Sparks, John Fowles, Herman Wouk, Lillian Hellman, Norman Mailer, James Patterson, Alice Sebold, Anita Shreve, David Sedaris	"Where to Buy" link on top left of home page leads to links for e-book sellers, e-book software vendors

Source: Visual survey of Web sites conducted by the author, October 2004.

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