

Is there a Future in eBooks?

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In 1440, a German man by the name of Johannes Gutenberg invented his movable type, which allowed books to be copied quickly and cheaply and change it changed the world forever. With dawn of the computer age, a new form book production was created: the electronic book. No longer were words restricted to physical paper, but could be stored and read in a virtual environment, giving books the ability to be copied instantly and transfer across the globe. But will the world be changed again?

A brief history of eBooks.

The electronic books or eBooks are, according to ebooks.com, one of the largest online eBook stores and founded in 1997, “electronic copies of your favorite titles.” Electronic copies that are viewable on a computer or portable device. But eBooks got their start in a much early and in a more humble setting with Project Gutenberg (www.gutenberg.com).

“[It] began in 1971 when Michael Hart was given an operator’s account \$100,000,000 of computer time in it by the operators of the Xerox Sigma V mainframe at the Materials Research Labs at the University of Illinois. ” In an effort to devise what to do with his new found “wealth,” Hart concluded that the true value of computers would not be in actual computing, but in storage, retrieval, and searching of libraries. He created the first “Etext” (This is what Hart originally called what we now know as eBooks), the Declaration of Independence, soon after. Thus, Project Gutenberg and the eBook was born and Project Gutenberg still exist as one of the top libraries of free e-books anywhere and one of the most visited sites for eBooks. (Hart)

It was not until the internet was popularized to households and dot com crazy in the mid and late 90's that the corporate world caught on to Hart's idea. These online eBook stores, which provide recently published and popular books for a fee, sprung up all over the net. With popularity of the internet and the move to other digital forms media (mp3 for music and DVDs for movies), many companies, including Barnes & Noble and Amazon.com, put their money into eBooks hoping to make huge profits. However by 2003, some businesses found that demand was not what they had predicted, and they could not financial support keep their eBook stores open. For example, Gemstar, a popular maker of eBook devices which also uses it's own eBook format, closed its doors in July of 2003. Barnes & Noble stop selling eBooks on its online store that same year. It seemed as if eBooks, from a business stand point, had failed. But why? Did eBooks fail because their was no demand? Were they just a Fad of the dot com boom?

The simple answer to both these questions is "no," but it is, of course, more complicated than that. It is true that the today's sales of eBooks is far smaller than for their paper bound counterpart. According to a public release from the Association of American Publishers, the United States publishing industry had a grand total of \$23.72 billion in net sales for 2004, while the total sales of eBooks averages a mere \$12 million to \$15 million a year. Such a large different in sales indicates a significant lack of interest in buying eBook, but that is only half the story.

Looking on the other side of the spectrum, free eBook libraries, like Project Gutenberg, which now provides over 10,000 eBooks covering 25 different languages all for free, are growing at leaps and bounds. Why such a discrepancy between the two markets? Cost is one factor. Free eBook libraries, offers their products, as you might expect, complete free for users to download (Some libraries do limit your access time, just like in a traditional library.). These

sites are able financial support this because the eBooks they offer are predominately those that no longer hold a copyright and have entered into the public domain. So the patrons of Project Gutenberg, who wish to have the new Stephen King novel or pretty much any novel published after 1923, would suddenly find they would have to visit an online eBook store, like ebooks.com, and pay ebooks.com a fee to download the book with often fewer rights then they would get from the books downloaded off of Project Gutenberg. This fact may detour some, but what most complain about is that it isn't any cheaper to buy a eBook than its paper bound counterpart on amazon.com. A fact that holds true for most eBooks. Why does it cost the same amount to buy an eBook compared to a traditional book if their is a huge difference in production cost? There are several reasons for the inflated cost of eBooks, but the most dramatic one is piracy.

Piracy and the associated cost.

The introduction of the eBooks and the Internet to the common household was like a dream come true for publishing industry. The ability to create a single book, to make additional copies of that book quickly and as needed, and distribute the books instantly to any customer 24/7 all for a fraction of the cost of the current method. It sounds "too good to be true."

Unfortunately, at least in part, it was. Publishers receive all these advantages from eBooks, but so does the consumer. Like the Music Industry, the publishing industry, specifically the eBooks section, suffers greatly from piracy and if the eBook business are to survive something needs to be done. Naturally, this burden of piracy is passed on to *paying* consumer, and is done so in two forms: inflated prices and restricted rights through the use Digital Right Managements (DRM).

Publishers inflate the price of most eBooks to nearly match the price the paper bound counterpart and in some extreme case, it was more expensive to buy eBooks, for the same reason software companies inflate the cost of their products. It was discovered that it is cheaper and less

time consuming to charge the paying consumers an enough to cover cost of lost profits do to piracy. This is marginally successful for software companies, because the paying user in their case is usually include large businesses or corporations, which are generally not turned off and pay the inflated cost. However for publishers of eBooks, the main target consumer is not a business, but the average middle class citizen, who trying to find the best deal. These consumers will be quickly turn away if they feel they are paying to much and will either purchase the paper version, or not buy at all. So publishers tried to find a more active method of curbing piracy and their solution they found was Digital Rights Management.

Digital Rights Management (DRM) gives publishers more control over what users are able to do with eBooks, such as how many copies can create. (DRM is currently being widely used, with some success, in the new online music stores, like iTunes Music Store, to restrict usage.) But, unfortunately, the current standard formats used for eBook, such as TXT and HTML, did not include the DRM, forcing the publishers to rely on proprietary eBook formats. Software companies, including Microsoft and Adobe, have released proprietary eBook formats that would work on desktops, laptops, and PDAs devices using Windows, Macintosh, Palm OS, Pocket PC, and Linux. However, none of these formats works all devices and operating systems. This has been a real sore spot for eBook publisher and patrons alike. Publishers are often forced to incur higher cost to publish in multiple format or risk losing potential customers. In addition, consumers often have to multiple eBook readers and sometimes across multiple devices to read their handful of eBooks. Such a system is causing much confusion for consumers. Fortunately, there may be light at the end of this tunnel. A handful eBook organizations, such as the OpenReader Consortium (www.openreader.org), are working on a non-proprietary, well-developed, open-source standard that will work on all or *nearly* all platforms. The existence of a

standard format eBooks, that is not controlled by Microsoft, Adobe, or any other corporate software company, would decrease the cost for producers and decrease the confusion of consumers and maybe encourage new consumers who are baffled and frightened by the many eBook formats. It would ease the frustration some consumers experience losing accessibility to their eBooks when they switch to incompatible platform. However, single standard eBook format is not yet a reality.

DRM itself seem to presents a problem with consumers. Many do not like being restricted from making a back-up copy of their eBook, print off a copy, or let a friend borrow it, nay from letting them borrow their computer or portable device, too. So what needs to be in place is a secure, but somewhat open system that would protect the publisher copyright and investment yet give consumers more rights to their purchased eBook to help drop the price of eBooks and to gather more consumers into the market. After all, the eBook file is not the only cost the consumer must bare.

The hidden cost: eBook devices

It is possible to persuaded the average book reader to spend roughly the same amount money for an eBook as their traditional book, but most will stop dead in their track before spending \$500, \$600, and even \$700.00 for an eBook device. Yet this is the cost that most companies are asking from consumers for their specialize eBook devices. Although, many eBooks will work on consumers' computers and PDAs, device consumers are likely to already own, these device do not proved an adequate reading experience.

There are three categories of devices that can be used for viewing eBooks: traditional desktop and laptop computers, PDAs, and devices specifically designed for eBooks. Each of these devices has advantages and disadvantages, but none at the current time meets the needs of

consumers and all these devices are far more expensive than most consumers would like to spend just to read a book. Most eBook devices, that is electronic specifically device for eBooks and generally look like a super-sized PDAs, are, to most consumer, overprice and impractical, yet alternative device tend to give lacking in usability.

Desktop and laptop computers generally are the fastest, have the best resolution, have the biggest screens, although the screens are often too wide for comfortable reading. However, computers and laptops limit where we can read the e-books. We are either forced to sit in front of our desktop computer or provide a “lap” for a laptop. Fortunately, a computer is generally not an extra purchase, since most consumers will already have a computer. PDAs, such as Palms or Pocket PC, range from \$60 to \$400 or \$500 dollars new and provide a much more portable device than your computer and have a much better battery life. However, PDAs often come with too small screens comfortable screens and many of the lower models do not come in color. of small, inadequate screens and slow processors. The cost of eBooks and eBook devices, just can't be justified by many consumers, who are likely to stay with traditional books.

Consumers Reading Habits:

Neil Gershenfeld, in his book *When Things Start to Think*, compares a “old-fashion” paper book to an eBook found on a laptop computer. He lists the specifications of a book as such: “boots instantly; a high-contrast, high resolution display; is viewable from any angle, in bright or dim light; permits fast random access to any page; provides instant visual and tactile feedback on the location; can be easily annotated; requires no batteries or maintenance; [and] is robustly packaged.” He jokes that, because the laptop hold none of those specifications, “[if] the book had been invented after the laptop it would be hailed as a great breakthrough.” (Gershenfeld, 13 – 14)

Now, Gershenfeld, may have exaggerated a little to place traditions books on a pedestal, but he does have a point. If *new* technology (i.e., eBooks) is to replace old technology (i.e., traditional books) it must in some way improve upon the ability to complete the process or task (i.e., reading). Gershenfeld believes that eBooks and the devices we use to read them are not adequate replacements and Gershenfeld is not alone.

The early years of eBooks were plagued with expensive, low resolution, slow devices, with software that did not always keep the end user in mind. Fortunately, for eBook business and the for the eBook patrons things have improved — faster processors, better screens, more user friendly, feature enabled software —but still many consumers hesitate and fear the move to eBooks. This fear to technological is deeply rooted in human development.

Many consumers reject the move to eBooks, just as Gershenfeld did. They both see eBooks as inferior to the traditional book. The questioning of the effectiveness of new technology is not isolated to eBooks only. Plato was also concerned about adopting a new technology. In the *Phaedrus*, Plato argued against the technology of the written word and gave numerous reasons for its inferiority to the spoken word. Likewise, many consumers found eBooks seemingly inferior compared to traditional books. What Plato failed to observe, and what consumers could be overlooking is that these changing technologies possess a great amount of potential, but only if change is accepted.

In her book, *When Old Technology was New*, Carolyn Marvin tells of the history of the typewriter and how it too was rejected as being inferior to handwritten letters. Society had been accustomed to writing, and found the typewriter slower for taking notes and writing documents or letters. It was also viewed as a less personal method of communication, so many refused to use the typewriter. Of course today, handwriting is nearly a dead art, but for a time it was

considered to be superior to the typewriter, simply because the typewriter required society to learn a new method, a way of doing things, and as Marvin explains, it took twenty years for the technology of the typewriter to be accepted as a better means to communicate. (Marvin) It was during those twenty years that society learn and change for the technology. So it could be possible that eBooks are still in their transitional phase, still waiting for us to change.

In 2000, Gutenberg's Movable Press was hailed as the greatest of invention in the past millennium. It is unlikely that eBooks will have get that much prestige, but if changes are made, eBooks can go beyond the small user base of gadget nuts and eBook enthusiast. Publishers and eBook stores must take heed of the problems facing eBooks and help change the attitudes of consumers that eBooks are worth the change.

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