

# The Future of Used Bookselling: An Observation

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THE WORLD OF THE USED BOOKSELLER has gone through radical and sometimes painful changes over the last few years. Many people have commented on the changes brought about by the Internet and online book purchasing. No one can doubt the profound effect the evolution of online book databases such as Interloc/Alibris and the Advance Book Exchange have had on booksellers. And let's not forget that pesky little dot.com startup company — I think it's called Amazon.com? That these changes get a lot of attention from booksellers and book buyers isn't surprising; they are having a huge affect on what is happening in the used book market today. But there are other technological and business changes going on in the book world that will have an even greater effect on booksellers in the not-to-distant future. Changes that will affect how books are bought, produced, marketed and distributed.

Three key trends in book publishing that will significantly alter the future of bookselling are Print on Demand (POD) publishing, eBooks and audio books and changes in the publishing marketplace. To put these trends in proper perspective it is useful to categorize used book buyers as either collectors or readers. Admittedly there is some overlap and a number of subcategories in each of these groups, but most book purchases can be classified as a sale to a collector or a reader. This distinction is an important one; although most booksellers cater to both groups, some specialize and serve mostly collectors while others tend to target the much larger group of readers. It this latter group of booksellers whose future is at risk.

Let's start by looking at collectors. Collectors are by nature a difficult lot. They want a very specific book. They care about true first editions (first printings), signed copies, etc. They want the proper edition of a book in a particular condition at a reasonable price. They demand assurances on these points; direct interaction with the bookseller is often desired and sometimes required. Booksellers may have to spend more time to make the sale, but collectors are usually willing to pay a bit more to get what they want. The good news is that no matter what happens in the future, there will always be collectors and a market for collectible books, although what makes a book collectible may change in the future. It's when you look at readers that the future of used bookselling looks hazy. By volume most of the used books sold today are reading copies of one sort or another. This creates a potential problem for booksellers as,

unlike collectors, these customers aren't looking for a specific copy of a book, only a way to gain access to the content. So long as all the words and/or pictures are there the form and condition of this content is of lesser importance. There are many reasons why a reader will look for a used book; the two most obvious ones are availability and cost. There are thousands of new books published each year, and thousands of books go out of print to make room for them. Even if a book is still in print, for more common non-collectible titles a used book is often much less expensive. As readers aren't as particular about form, they can be seduced by new alternatives as they appear.

POD books are generally looked down upon by "real" book people. Many dismiss them because of the perceived high price and low quality of these books. I suspect most of this disdain for POD books comes from early attempts that produced books using crude and expensive photocopying techniques. Times have changed. In larger quantities modern POD books still cost more per copy to produce than traditionally published books, but costs are not as high as they once were. The rise of POD printers like Lightning Source (owned by Ingrams) and subsidy publishing houses such as iUniverse and Xlibris have made POD printing much easier to do and much less expensive. Many small presses today use POD technology exclusively to produce their titles. Even major NY publishers are starting to use it to augment their normal printing processes; they are also looking at utilizing POD technology as a way to keep slow but steadily selling books in print (much to the dismay of authors who would like them to go out of print so they can get the rights back, either to resell it to another publisher or to arrange their own POD versions). As for quality, most books printed using current POD technology are nearly indistinguishable by most buyers from the trade paper and hardcover books being produced by Big Publishers today (which are admittedly inferior to those produced in the past).

There are also publishers who specialize in reprints using POD technology; a good example of this is John Betancourt's Wildside Press (<http://www.wildsidepress.com>). They currently have over 500 titles available, many of them in several formats including hardcover and eBook. According to their website they only need to sell 6-8 copies of any title in a given year to make a profit on that title. Looking at their catalog prices, trade hardcover editions run from \$24 to \$49; trade paperbacks run from

\$5 to \$24. These prices may be slightly higher than traditionally published books, but certainly not excessive or unreasonable.

What does this mean to used booksellers? The ability to bring an out-of-print book back into print at a reasonable price effectively removes most readers from the marketplace for rare books; if all they are interested in is a reading copy a POD produced copy will be more than adequate. For collectors POD technology adds some interesting twists to the notion of a "first printing."

I'm sure most used booksellers are laughing at the notion that eBooks are a threat to their business. After all, eBooks have been touted as the future of books for years and so far have made few inroads. But that will change. One of the things I've learned during my 20 years working in the high tech world is that some changes require a lot of massaging before they take hold. Apple tried to create a market for handheld computers with the Newton which was hailed by pundits as being the next big thing. But it didn't happen then; the Newton was a failure and it wasn't until several years later that Palm got it right and the PDA was born. Right now eBooks are still in the not-ready-for-prime-time phase, but that will soon change.

What makes eBooks attractive? From the publisher's perspective it's the production/distribution costs. Once the content is prepared electronically you're done. No printing costs. No shipping expenses. No distribution warehouses to stock. You can keep a title in print indefinitely with a minimal maintenance cost. And you have the opportunity to cut out some or all of the middlemen; it is easy to sell direct to the customer. From the readers perspective it's instant availability; once they decide they want a title all they need to do is go to a website, provide payment information and download it. Instant gratification.

What is preventing widespread acceptance of eBooks? The first and most important reason is the need for a usable and affordable handheld viewer. There have been several proprietary attempts made to develop such a viewer, but with limited success. The hardware has tended to be bulky, fragile and expensive. But help is on the horizon. There already is a viable platform out there; the PDA. I have read two novels on my HP Jornada 548, including Michael Crichton's *Timeline*. While the displayed page size is small (2 1/8 by 3 inches) making this book over 2000 pages long (compared to about 500 pages for the mass-market paperback

edition) the Microsoft Reader Font technology makes reading relatively easy on the eyes. And the thumbwheel that the Jornada has on the side allows me to hold the PDA in my left hand and change pages with a simple flick of the thumb. I can read the “book” and change pages with one hand; I can’t do that easily with a paperback. With a 128 Mbyte CompactFlash Card (\$50 at Costco) I could carry about 200 books the size of *Timeline* with me. Even if you want a dedicated book viewer, the proliferation of PDAs and cell phones with displays are making the cost of the electronics and LCD displays for small devices drop significantly; I expect to see several new and inexpensive viewers on the market soon.

Of course there are those who just like the feel of a book. But there is a technological solution for them as well — electronic paper. Several companies are working on this right now; for a peek at one you can see the work being done at Xerox Parc by going to <http://www2.parc.com/dhl/projects/gyricon/>. This technology provides the potential for something very much like a conventional book, but with pages that can be filled and refilled electronically. This will help placate older readers who have grown up with books; I suspect as the computer generation matures there will be less need for such a substitute.

There is also the issue of copyright protection. Initially publishers were hesitant to release eBooks on any platform that might allow the user to make an illegal copy. This created a Catch-22 for publishers; release on a proprietary dedicated platform and maintain control with a limited market, or release on a PC/Mac platform where users can easily make illegal copies. The major players are attempting to resolve this issue by adding digital rights management (DRM) to their players, restricting where and how a title can be played. This satisfies the publisher’s needs, but has not been universally accepted by users. This issue is much broader than just eBooks; it affects the music and video industries to an even greater extent. Publishers of the latter will either be successful in forcing acceptance of the current DRM solutions or will come up with some kind of compromise; whatever solution is accepted is likely to be mimicked by eBook publishers.

Finally there is the issue of price. Initially publishers were very cautious and greedy, charging the same price for eBooks as they were for hardcover editions. At the moment most seem to be pricing eBooks the same as mass market paperbacks. This is still high, but because of the

vastly lower overhead there is opportunity for publishers to price eBooks even lower and still make more money per copy than they do for a printed book. They'll be reluctant to do this, but doing so will help speed along acceptance.

On the surface it would appear that audio books are very different from eBooks; after all they are currently packaged and sold in the same way as printed books. However it is very easy to distribute these electronically, and they have the extra added advantage that inexpensive and widely-used platforms already exist for "reading" them. Audible.com seems to be the leader here, and they have very shrewdly priced their services so they are significantly less expensive than the corresponding tape or CD versions. And for most titles they give you the option of burning them to CD as well. I expect the acceptance by audio book customers of the Audible.com solution will be quick, and may even provide a model for eBook publishers to follow.

How will this affect used booksellers? Like POD technology, eBooks and audio books provide an easy and even less expensive way for publishers to keep books in print and reprint older works. But subtler is the effect on the sales of future titles; as more and more copies of books are sold electronically, there are fewer printed copies available. This reduces the supply of used books which will have two contrary effects; it will reduce supply which on the surface would appear to make these printed copies more valuable on the used book market. But with this comes a decreasing demand for such books on the part of readers; as they adopt eBooks they won't want to buy printed copies, especially if prices go up because of limited supply. So you have fewer and more collectible copies of a title, but also fewer customers for those copies.

As for the eBooks themselves, DRM technology makes the concept of a "used" copy obsolete. They can't be resold. In essence you've moved from owning a book to licensing one. Collectors obviously won't go for this, but the much larger reader base will find this less onerous — especially if the price is right. And just as Audible.com provides the ability to "burn" a copy to CD, I expect similar technology will arise for eBooks as they sort through and resolve the digital rights management issues.

The consolidation of major publishers into a few conglomerates and the resulting mass market mentality will also have a profound effect on future titles. The trend in Big Publishing today is towards selling more

copies of fewer titles. Like the movie industry, big publishing is only interested in blockbusters. Yes, they'll take on new authors, but if they aren't on their way to becoming bestsellers after a few books they're unceremoniously dropped. Mid-list publishing by the big publishers is rapidly disappearing. We've all seen the effect such publishing strategies have on the used book market; several million copies of the latest Tom Clancy or John Grisham title that are barely worth using as birdcage liner.

So what happens to the mid-list writers? In the film industry there have arisen independent film companies that have taken over the production of "small" films. Along similar lines there has been a proliferation of small presses arising to take over the mid-list from the big publishers. On the surface this looks as if it could be a good thing for booksellers; more books with small print runs. But how are these new small presses producing their books? You guessed it — as POD titles or as eBooks! And in addition to all the challenges already mentioned that this creates for selling used copies to readers, the concept of a "first printing" becomes a complicated and difficult one. Again, this helps create collectible copies, but doesn't address the broader reader market. And many of these small presses also offer eBook versions; they're easy to create from the same files you use for the POD copies.

The inevitable conclusion that I draw from these observations is that there will be a gradual decrease in demand for used reading copies of books as the trends discussed above take shape. Booksellers who make their living by selling used books to readers will find it harder and harder to make a living at it. At the same time there could very well be a slight increase in the marketplace for collectible books, as fewer printed books are produced. I don't know how long this will take; 5 years, 10 years, maybe more. But I'm convinced it will happen. Booksellers who want to be in it for the long haul will need to focus their attention increasingly on the collectible market.

As a collector of modern first editions I'm very interested in what happens to this area of book collecting. But that's a subject for another day.

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