Envisioning the Next Chapter for Electronic Books

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SAN FRANCISCO, Sept. 5 — Technology evangelists have predicted the emergence of electronic books for as long as they have envisioned flying cars and video phones. It is an idea that has never caught on with mainstream book buyers.

Two new offerings this fall are set to test whether consumers really want to replace a technology that has reliably served humankind for hundreds of years: the paper book.

In October, the online retailer Amazon.com will unveil the Kindle, an electronic book reader that has been the subject of industry speculation for a year, according to several people who have tried the device and are familiar with Amazon’s plans. The Kindle will be priced at $400 to $500 and will wirelessly connect to an e-book store on Amazon’s site.

That is a significant advance over older e-book devices, which must be connected to a computer to download books or articles.

Also this fall, Google plans to start charging users for full online access to the digital copies of some books in its database, according to people with knowledge of its plans. Publishers will set the prices for their own books and share the revenue with Google. So far, Google has made only limited excerpts of copyrighted books available to its users.

Amazon and Google would not comment on their plans, and neither offering is expected to carve out immediately a significant piece of the $35-billion-a-year book business. But these new services, from two Internet heavyweights, may help to answer the question of whether consumers are ready to read books on digital screens instead of on processed wood pulp.

“Books represent a pretty good value for consumers. They can display them and pass them to friends, and they understand the business model,” said Michael Gartenberg, research director at Jupiter Research, who is skeptical that a profitable e-book market will emerge anytime soon.

“We have had dedicated e-book devices on the market for more than a decade, and the payoff always seems to be just a few years away,” he said.
That disappointing history goes back to the late 1990s, when Silicon Valley start-ups created the RocketBook and SoftBook Reader, two bulky, battery-challenged devices that suffered from lackluster sales and a limited selection of material. The best selling e-books at the time, tellingly, were “Star Trek” novels.

Hopes for e-books began to revive last year with the introduction of the widely marketed Sony Reader. Sony’s $300 gadget, the size of a trade paperback, has a six-inch screen, enough memory to hold 80 books and a battery that lasts for 7,500 page turns, according to the company. It uses screen display technology from E Ink, a company based in Cambridge, Mass., that emerged from the Media Lab at the Massachusetts Institute of Technology and creates power-efficient digital screens that uncannily mimic the appearance of paper.

Sony will not say how many it has sold, but the Reader has apparently done well enough that Sony recently increased its advertising for the device in several major American cities.

“Digital readers are not a replacement for a print book; they are a replacement for a stack of print books,” said Ron Hawkins, vice president for portable reader systems at Sony. “That is where we see people, on the go, in the subway and in airports, with our device.”

Book publishers also seem to be preparing for the kind of disruption that hit the music business when Apple introduced the symbiotic combination of the iPod and its iTunes online service. This year, with Sony’s Reader drawing some attention and Amazon’s imminent e-book device on their radar, most major publishers have accelerated the conversion of their titles into electronic formats.

“There has been an awful lot of energy around e-books in the last six to 12 months, and we are now making a lot more titles available,” said Matt Shatz, vice president for digital at Random House, which plans to have around 6,500 e-books available by 2008. It has had about 3,500 available for the last few years.

Amazon has been showing the Kindle to book publishers for the last year and has delayed its introduction several times. Last fall, a photograph of the device, and some of its specifications, leaked onto the Web when the company filed an application with the Federal Communications Commission to get approval for its wireless modem, which will operate over a high-speed EVDO network.

Several people who have seen the Kindle say this is where the device’s central innovation lies — in its ability to download books and periodicals, and browse the Web, without connecting to a computer. They also say Amazon will pack some free offerings onto the device, like reference books, and offer customers a choice of subscriptions to feeds from major newspapers like The New York Times, The Wall Street Journal and the French newspaper Le Monde.

The device also has a keyboard, so its users can take notes when reading or navigate the Web to look something up. A scroll wheel and a progress indicator next to the main screen, will help users navigate Web pages and texts on the device.
People familiar with the Kindle also have a few complaints. The device has a Web browser, but using it is a poor experience, because the Kindle’s screen, also from E Ink, does not display animation or color.

Some also complain about the fact that Amazon is using a proprietary e-book format from Mobipocket, a French company that Amazon bought in 2005, instead of supporting the open e-book standard backed by most major publishers and high-tech companies like Adobe. That means owners of other digital book devices, like the Sony Reader, will not be able to use books purchased on Amazon.com.

Nevertheless, many publishing executives see Amazon’s entrance into the e-book world as a major test for the long-held notion that books and newspapers may one day be consumed on a digital device.

“This is not your grandfather’s e-book,” said one publishing executive who did not want to be named because Amazon makes its partners sign nondisclosure agreements. “If these guys can’t make it work, I see no hope.”

For its part, Google has no plans to introduce an electronic device for reading books. Its new offering will allow users to pay some portion of a book’s cover price to read its text online. For the last two years, as part of the Google Book Search Partner Program, some publishers have been contributing electronic versions of their books to the Google database, with the promise that the future revenue would be shared.

The service could be especially useful to students and researchers who find information they need through a Google search, but it is also likely to include material suited for leisure reading. It will be separate from an effort called the Google Book Search Library Project, which is digitizing the collections of some libraries. That program has angered publishers and led to several pending lawsuits over copyright issues.

Both the programs of Google and Amazon are drawing attention, and some skepticism, from traditional book retailers. Barnes & Noble, the largest bookseller in the United States, once invested in early e-book creator NuvoMedia and sold its RocketBook in stores before getting out of the business in 2003.

Stephen Riggio, chief executive at Barnes & Noble, argues that for most people the value of traditional paper books will never be replicated in digital form. Nevertheless, he plans to compete with Google and Amazon. Mr. Riggio said in an interview that the full texts of many books will become available on the company’s Web site over the next year to 18 months. He also said that Barnes & Noble was considering introducing its own electronic book reader — but only when it can sell one at a low price.

“If an affordable device can come to the market, sure we’d love to bring it to our customers, and we will,” Mr. Riggio said. “But right now we don’t see an affordable device in the immediate future.”
Book publishers also seem to be preparing for the kind of disruption that hit the music business when Apple introduced the symbiotic combination of the iPod and its iTunes online service. This year, with Sony's Reader drawing some attention and Amazon's imminent e-book device on their radar, most major publishers have accelerated the conversion of their titles into electronic formats. For its part, Google has no plans to introduce an electronic device for reading books. Its new offering will allow users to pay some portion of a book's cover price to read its text online.