

e-Books as disruptive to publishing as iTunes was to the record industry

By [Wesley Lynch](#), issued by [Realm Digital](#)

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Title distribution model to destroy industries; create new ones, change society.

Catalyst for change

The mercurial world of the Internet remains a catalyst for change. In recent history, iTunes, the seminal digital music download platform, has turned music distribution upside down.

Now, with e-books poised to hit the mainstream, we're on the eve of a revolution to rival that, says [Wesley Lynch](#), CEO of [Digital.co.za/ Realm Digital](#), the [Digital.co.za/page/Realm Digital-services/ e-business](#) technology, strategy and solution provider.

"People don't appreciate how deep the impact will be on our day-to-day lives," he says. "Not even [Facebook](#) reaches out from the digital into the physical world to the extent that e-books do. Mobile phones and One Laptop Per Child don't add value in and of themselves. An e-book reader such as Amazon's Kindle, however, comes with a content value proposition so compelling that it is single-handedly changing the way books are distributed, bought, sold and read."

So how will the comely, harmless-looking Kindle change how we think about, interact with and deal in books?

Print (books, magazines and newspapers) will die

Gutenberg's printing press (invented in 1439) is widely regarded as the most important development of the modern era, notes Wikipedia, putting paid to handwritten manuscripts and paving the way for the Renaissance, Reformation and Scientific Revolution. Now, after almost 600 years, the e-book is signalling the death of the printed book.

"The economics are overwhelmingly against paper books," explains [Lynch](#). "The most widely cited problem is their distribution cost. Cut that out and retailers are able to sell books for less and make more margin." An equally prohibitive cost is that of physical storage and inventory systems. The e-book model is far more compelling; instead of physical warehouses it uses digital content aggregators linking all subscribing retailers to all subscribing publishers," says Lynch. "This brings storage cost down to virtually nothing and gives retailers access to a limitless list of titles."

The same arguments make it compelling for retailers to market e-magazines and e-newspapers too. "With magazine and newspapers, distribution cost is disproportionately high compared to the selling price, and distribution occurs more frequently," says Lynch. "Digital is simply a godsend."

Book retailers will re-design their business models

All this is forcing retailers into an almighty repositioning scramble to benefit from high-margin e-book sales, [Lynch](#) continues. "They are being forced to re-think their relationships with publishers and distributors, as content aggregators will allow them to be far more competitive. They'll throw out their book stocks, realising that they were never book sellers but content delivery companies, and develop or license an in-house e-reader."

But the future doesn't look any less challenging, he adds. In time, the book-fixated reading public will be used to e-books, and the notion of a specialist book-reading device will be nothing but a historic curiosity, a ruse used to lure people into digital reading formats. "When that happens, convergence onto the multi-purpose device of the moment will once again threaten the book retailer's business," says Lynch.

Lynch says South Africa's leading book retailers - online and offline - are currently incubating their e-book strategies, and

the pressure cooker is overheating as players scramble for first-mover advantage while settling the myriad legal, copyright, technological, competitive and other details of this truly complex market phenomenon.

Meanwhile the change, current and potential, is embraced by other quarters.

Readers won't know how they did without it

There are many, many reasons why e-books are much cooler and more versatile than physical books, says [Lynch](#).

There won't be such things as audio-books - e-book readers can be read as well as listened to (whether the user is visually impaired or otherwise occupied). In addition, the ability to make annotations, add inline video or link reference material brings staggering social reading possibilities to mind.

Out-of-copyright books (50 years after the author's death) are already free on books.google.com*. This has pulled the rug out from under the paper book industry, which is saddled with binding, distribution, storage and inventory costs. With proper e-reader platforms, the experience of reading these free titles is good enough to cause a revolution in reading.

New business models will be created

"We haven't even begun to explore the new business models available on the back of this revolution," he continues. "With native device storage soaring (iPods can hold 240 years of continuous music), there's no reason not to preload devices with as much content as there already exists in e-book format, and charging readers on a pay-as-you-read basis."

Translation is a costly, time-consuming specialisation in book publishing that will find itself tremendously challenged by e-books. "There is talk of radical things, such as offering e-books free to people willing to translate one page at a time," says Lynch. "With popular books, translations will just take off. Suddenly the publisher has taken the Japanese market, at little of the traditional cost."

... And new socially-aware models

The e-book model will bring life to the textbook dilemma for poverty-stricken students, he continues. "Rather than a bunch of textbooks, the talk is of giving them e-book readers and bringing the price down to manageable levels."

Eve of a revolution

"e-Books may seem like a narrow application, and e-readers like insular devices, but we are truly on the eve of a revolution, the likes of which has not been seen for a while," concludes [Lynch](#).

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