



e-books - Impact and Costs

September 23, 2010 by Bob Tarantino

Peter Nowak at the CBC recently had an interesting discussion with Kobo chief executive Michael Serbini's (Kobo is "a global eBook retailer" backed by, among others, Canada's own Indigo Books & Music) about e-books and their impact on the book publishing industry (E-books: A New Chapter Begins). Serbini discusses the deal-making process for e-book distributors, the new possibilities accorded to authors by e-books and the possibility that print publication will become an afterthought - well worth checking out.

On a related note, *Wired* attempted to answer the burning question: Why do e-books cost so much?

"People vastly overestimate how much a publisher saves," says Erik Sherman, an analyst and author who studies ebook economics. Turns out, the physical aspects of book production can account for as little as 15 percent of the cost of the title. The rest can be divvied up among the author, editor, designer, marketers, publicists, distributors, and resellers. A lot of fingers dip into that \$14.99 money pie before the house takes a slice.

"People would have heart attacks if they knew all the costs associated with digital publishing," says Maja Thomas, senior vice president of the Hachette Book Group's digital division. Tacking an e onto a book requires antipiracy software, digital warehousing, extra-legal support, and programmers to adapt each title for Android, iPhone, Kindle, and all the other formats. That's *on top* of the regular costs of turning a manuscript into a finished product.

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