

On Publishing

The Digital Dam Breaks: The Year 2010 in Review

Special to the *New Communications Review*

Copyright © 2010-2011 by Danny O. Snow, All Rights Reserved

After years of tantalizing but unfulfilled promise, 2010 has proven a true watershed year in the history of the written word. Electronic publishing has finally come of age.

Newspapers and Magazines Go Paperless — Will Books Follow?

Early in the year, industry observers noted significant transitions at major daily newspapers, moving from print to digital delivery of content to consumers. Perhaps most notably, *The Christian Science Monitor* dropped all but one print edition in favor of online publication. The success of the CSM's transition to e-publishing is particularly meaningful since (unlike most daily papers) its print editions did not rely on advertising to fund their publication, while the online version does. As an online paper, the CSM successfully changed both its medium *and* its business model, with good results.

Hardware and Software Wars

Apple's launch of the wildly popular iPad in April generated a media hoopla, and a predictable cult following among Apple fanatics. By year's end, 47 million iPads were sold, according to *DigiTimes*. Whether the iPad is in reality a "game changer" in the world of e-Book publishing remains an open question — but its role in establishing popularity for touch screen tablet devices seems certain. The tablet PC appears poised to become a fixture in developed nations henceforth.

Meanwhile, Amazon intensified its efforts to promote the Kindle e-Book reading device, while Barnes & Noble entered the market with the Nook. In December 2010, *Information Week* reported that the Kindle held 47% of sales, followed by the iPad with 32%, the Sony Reader with 5% and the Nook with 4%. For context, it is important to note that the Kindle and Sony Reader have been available for years, while the iPad and Nook are new.

The e-Book as an App

In spite of the buzz about iPad and Kindle, contrarians (including the writer of this report) are quick to point out that the total number of larger devices like the Kindle, Nook and iPad is a fraction of the number of hand-sized smartphones in use as of late 2010. Some analysts predict that the iPhone alone will sell more than 50 million additional units in 2011, while the Google Android, Blackberry and others will add many millions more users, hungry for content to download. Proponents of smartphones as the future of online newspaper and e-Book reading believe that they will dominate larger devices that are not telephones as much as ten-to-one in the years ahead.

The smartphone camp is also quick to draw a distinction between a standalone app, versus an e-Book that requires intermediary software, such as the Stanza Reader, Kindle

for iPhone, etc. Unlike conventional e-Book formats, an app can perform more highly specialized functions based on the subject matter. Imagine a travel guide that harnesses a smartphone's GPS capability to notify the reader about specific stores, restaurants and sites of interest in the exact location where it is read... innovations like this are already underway in the bustling world of app development, far more than seen in conventional e-Books.

On the tech side, e-Books sold as apps today are more secure from piracy than other e-Books. An analogy might describe conventional e-Books as Word documents, which are easy to move from one computer to another; an e-Book app is more like Word software itself, which is difficult to move. Opinions vary, but this writer's conviction is that protection from piracy is essential for anyone who approaches e-publishing as a business, rather than a hobby.

In business terms, apps do not depend on a financial relationship with a supplier. To illustrate, if a consumer's Amazon account is disabled for any reason, s/he loses access to Kindle e-Books... even those purchased beforehand. On the other hand, a standalone app that is downloaded to a smartphone becomes the consumer's property, and runs on the phone independently.

The Silver Lining of the Cloud

While downloading a standalone app has benefits for consumers of e-Books, for other digital products the reverse is often true: the trends toward "Cloud" computing and wireless connectivity continued to gain momentum in 2010. Increasingly, as wireless Web access becomes ubiquitous in developed nations, consumers are using their computers, tablets and smartphones more as gateways to content stored online, rather than using their home and office devices to store data locally.

In December of 2010, Google launched a Cloud-based e-Bookstore at <http://books.google.com/ebooks> where readers can preview or purchase zillions of e-Books that run on nearly every leading hardware platform from the Kindle to a variety of smartphones. Though still in its infancy at this writing, Google e-Books could accelerate the momentum of e-publishing in the years ahead.

The Dark Side of the Cloud

But wireless communication in the US was dealt a serious blow in late 2010, when American legislators failed to pass a "Net Neutrality" bill with backbone. It now appears that the GOP-dominated Congress of 2011 may allow monolithic wireless carriers like AT&T, Verizon and Sprint to re-invent online segregation with a new kind of "Digital Divide", selling fast Web access to the highest bidder for a profit, while crippling innovation and creativity by the small businesses and entrepreneurs who have driven many of the Web's advances until now.

Power to the People

In December of 2010, a new supplement about self-published books (in print and online) was released by *Publishers Weekly*, the flagship publication of the book world. PW's decision to start covering books published by their authors highlights another important trend in 21st Century publishing: the rise of the "Citizen Journalist" or "Citizen Author."

In 2009, the number of books published by their authors exceeded the number from publishers for the first time in history. Some observers estimate that as many as 750,000 books have been self-published in 2010, and the trend is growing. Most of these new releases were in print, using "Print-on-Demand" technology, but self-published e-Books are rapidly growing in popularity, and will redouble the momentum of Citizen Journalists and Citizen Authors in the years ahead.

Looking Ahead

Expect continued growth in sales of periodicals and books in digital form, especially to users of smartphones. Anticipate a titanic struggle taking shape between Amazon, Apple and Google for dominance in the e-publishing world.

Watch for widespread closings of brick-and-mortar bookstores in 2011, possibly dealing a mortal blow to old school print publishers, and the wholesalers and distributors that supply offline booksellers. This may sound grim in the midst of a prolonged recession, but this writer believes that the book world will emerge leaner, greener and more egalitarian as a result.

30

About the Writer

Harvard graduate Danny O. Snow is a senior research fellow of The Society for New Communications Research (SNCR.org), a Palo Alto based think tank dedicated to the advanced study of new and emerging media. He founded Unlimited Publishing LLC, "The Professional POD Book Publisher™," in 2000. Snow also works as a consultant to fellow authors and publishers, as a journalist, and as an industry commentator. He is widely quoted by print, broadcast and online media about new publishing and communication technologies.

In 2009, he was elected to the board of directors of the Independent Book Publishers Association (IBPA-online.org), serving thousands of publishing firms across North America and around the world since 1983.