

## Kindles, Nooks, iPads and The Whole E-Reader Thing Are Ebooks Cheaper?

By Richard Sims, President

E-readers, from Amazon's introduction of the Kindle to Barnes & Nobles' Nook to Apple's iPad, are kinda hot, don't you think? Those of us in the bookstore business certainly hear a lot about them, both from the trade press and from our customers. So what do we here at Once & Again Books think about this whole development? I'll tell you what I'm thinking these days, and we'll try to have some fun with it as you read along.

Stepping back to the big picture, how you want to read and acquire your books is a personal decision. For instance, I get most of my daily news input via email, which I read on my notebook, or I check CNN.com and other websites on my iPhone over lunch. So I spend a lot of time reading electronically. I don't happen to read my books that way but I have a rather unlimited supply of good choices at my fingertips, all for free! But for someone who travels a lot, or who simply enjoys the reading experience of the e-readers, I can't argue with them.

Certainly the devices are getting better and cheaper, and like all electronics, they will continue to get better and cheaper. I read an opinion piece the other day that made a couple of interesting points. First, Amazon would probably profit by simply giving away the Kindle to all its customers, since they happen to sell all of the books that are sold for the Kindle (just like Apple sells all the books for the iPad). The other point was that the New York Times could save A LOT of money by giving all their subscribers a new Kindle (each and every year!), assuming that would allow them to shutter their printing plants.

As far as I can see, Amazon isn't yet giving away Kindles and The Times isn't doing so, either. But the quest for the almighty dollar lies behind most business strategy. It is interesting that Kindle ebooks are in a format that can't be read by any other ereader, and Apple and Google (not particularly well-known booksellers) are both becoming booksellers, along with many other technology players. So if we thought we'd be competing simply with other used bookstores in our market area, and perhaps with the big bookstores to a lesser extent, I guess we were wrong. Interestingly, libraries are also trying to find their niche in the e-world, and like any third party, they are trying to be platform-independent, but that Kindle strategy gets in the way (see the second paragraph at <http://agnosticmaybe.wordpress.com/2011/03/08/why-the-ebook-readers-bill-of-rights-benefits-authors/>). So at times I am curious as to whether the ereaders are being sold primarily to give users a better reading/buying experience, or to force out competition. At least in the movies, people who are plotting world domination generally aren't planning to do nice things when they achieve it.

While the devices clearly have some pizzazz, it's safe to say that some customers are attracted to them at least partially because of the presumption that ebooks are cheaper. While this is certainly true in some cases, it is quite untrue in other cases. Here's a cost comparison chart for buying books in various

ways from various sources, and yes, I picked the examples, current as of March 24, 2011, but it wasn't hard to find examples that illustrate my point:

	Title/Author	List Price	Barnes & Noble Nook	Amazon (physical book)	Amazon Kindle	Once New	Once Used	Once Used Net After Trade Back
1	<i>American Assassin</i> -Vince Flynn (HC)	27.99	14.99	16.45	14.99	22.95	13.99	7.99
2	<i>61 Hours</i> -Flynn (SC)	9.99	9.99	9.99	9.99	8.99	4.99	2.50
3	<i>Guernsey Literary Society</i> -Shaffer (SC)	15.00	9.99	8.36	9.99	13.50	7.50	3.75
4	<i>Lover Unleashed</i> – J R Ward (#9) (HC)	27.95	14.99	15.36	14.99	22.95	13.95	7.99
5	<i>Lover Mine</i> – J R Ward (#8) (MM)	7.99	7.99	7.99	n/a	7.20	3.99	2.00
6	<i>Mockingjay</i> – Collins (HC)	17.99	7.58	7.98	7.98	16.25	8.99	4.50
7	<i>Hunger Games</i> - Collins (SC)	8.99	8.54	8.99	8.54	7.99	4.50	2.25
8	<i>Crocodile Tears</i> (Alex Rider) - Horowitz (SC)	7.99	7.99	7.99	6.99	7.20	3.99	2.00
9	<i>Tao of Pooh</i> – Hoff (SC)	14.00	n/a	11.20	n/a	12.60	7.00	3.50
10	<i>To Kill a Mockingbird</i> – Lee (MM)	7.99	n/a	7.99	n/a	7.20	3.99	1.99
11	<i>Life of Pi</i> – Martel (SC)	8.99	7.09	8.99	7.09	7.99	4.50	2.25

Above prices exclude the cost of (1) any device needed to read the ebooks, (2) shipping costs that may or may not be charged for books shipped from an online merchant, (3) any transportation costs incurred by customers traveling to our physical bookstores, and (4) having to shower and be presentable to do so.  
n/a – Not available in that format.

What we didn't put on the chart is the fact that any of the above books can be bought from us for "free" if you've sold books back to us and have trade credit equal to our price for the book you're buying. It's pretty close to impossible to beat "free".

The trends on the above chart generally hold true, I believe, though there are certainly instances that lie outside the data above. If you mostly read the latest hardcovers as soon as they are released (#1 and #4 above), Amazon (physical or Kindle version) is awfully hard to beat. But if you like that book and decide to read some of the prior titles by that author, the situation generally reverses itself. If the book is in the mystery, romance or Sci-Fi genre (#2 and #5 above), those books are later issued in the lower-priced mass market ("MM") paperback version, and the Kindle version generally has no discount. For example, Vince Flynn MM's generally have a \$9.99 list price; that is TYPICALLY Amazon's price for the physical book and the Kindle ebook. Our new price is cheaper (\$8.99); our used ones cheaper still (\$4.99), and if you trade it back to us when you're done, we reduce that by half again, to \$2.50, 75% less than the

Kindle price. If however, you read “general fiction” (#3 above; think *Water for Elephants*, *Sarah’s Key*), these mostly come out later in trade paperback (TPA or SC), which typically have a list price of \$14-\$16. The Kindle price is often higher than Amazon’s physical book price, and our used copies are cheaper even before you trade them back in.

Kids books are different yet again (#6-8 above). While elementary kids’ books generally aren’t available on e-readers (can you imagine reading a “board book” to a toddler on an ereader?), young adult books often are. The very newest releases (#6-*Mockingay*) are typically discounted heavily by Amazon in both Kindle and physical form, but the older releases (#7-*Hunger Games*) are sold at list price (physical book) and a 5-10% discount (Kindle). Our new, used and used-after-trade prices are substantially better, again as much as 75% less than the Kindle version.

Finally, books required by area schools were surprisingly unavailable (at least I certainly didn’t know this) in Kindle versions (#9-11 above). The physical books were similarly priced to our new book prices (some a bit higher, some a bit lower), but of course our used copies were generally 40-50% less, before considering the trade-in value.

So what does this all mean? To me, it means primarily that it is certainly incorrect to assume ebooks are cheaper. If you read a lot (or a little) and if saving money is even moderately important to you, buying/trading at a used bookstore is still every bit as advantageous as it was back when we thought “kindle” had something to do with starting a fire. For those readers who enjoy the ebook experience and read mostly the absolute latest releases, we totally understand the appeal and wouldn’t try to persuade you otherwise. But it’s a big, diverse world out there, and frankly, more and more people are becoming cost-conscious. Being able to save these customers 50-75% on many if not most of the books they read is a powerful argument. At the end of the day, we think the bricks and mortar used bookstore has more than a few years left in its lifecycle, and we look forward to seeing you in our stores.

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