



Publishers Association of Los Angeles
EDUCATION • NETWORKING • RESOURCES

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UPCOMING MEETING: MEMBERS' ONLY BRAINSTORMING SESSION

*Tuesday, January 24, 2012
6:30 pm - 9:00 pm*

Get answers to your publishing questions.

Want some feedback on potential titles for your next book? Need help with finding a distributor? Need an opinion about a potential cover design? Not sure if you should spend money on exhibiting at an upcoming trade show? YOUR questions can be answered at the next PALA meeting.

Bring your books, cover design drafts, marketing ideas, requests for referrals, and anything else related to publishing and get answers from the other members in our group. Take advantage of the collective wisdom of your fellow publishers and publishing colleagues.



PRESIDENT'S MESSAGE: COOPERATIVE MARKETING

The PALA Board wishes our members a great holiday season. As we look to the new year, I tend to remind folks that New Year's resolutions are only as good as the paper they are printed on.

But it's not that simple. An ever-changing, ever-growing avalanche of new information includes inexpensive, and "easy" ways to market our books. As Stephen Hawking might say, one of the problems associated with the best of intentions, is *time*.

Website management, book production, marketing, networking, and all of the other considerations require time. And to do it optimally, it really needs to be full time, at least for a while. And it certainly helps if you have some Internet/electronic savvy.

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Cooperative Marketing (cont'd from page 1)

So what is the answer?

There is no one, simple answer, of course, but here's a suggestion that you probably have heard before--cooperative efforts. We all have our strengths and weaknesses, and if we are creative with our books, we can extend this creativity to our workplace and take on a partner or two for a few finite tasks. The collaboration process is not easy to begin, and the first steps can be troublesome, especially since most of our books are quite personal. But once you give it a try, you may find, as many have, that there is strength in numbers.

For instance, some folks could pool their resources to place advertisements where a single, small publisher may not be able to afford to do so, but a group might be able to pull off.

If you don't yet have a website, you might think of a joint web presence, spreading the cost with two, three or more authors or publishers. Even if you have a website, a second, branded website with a consortium of several publishers might generate additional traffic, visibility, and Google rating. I'm sure you can think of other cooperative efforts.

If you are currently doing anything cooperatively with another publisher, we'd love to hear about it, and we would like to share the information in our newsletter.

Finally, I hope you like the new format for our newsletter.

Remember, we're always open to ideas, including your suggestions for our meetings.

Have a beautiful holiday and stay safe.

Gary Young
PALA President



PUBLISHING UNIVERSITY RECAP---GO FORTH AND GET DIGITAL by Julie Orlov

I wanted to share with you some of the lessons learned from this year's Publishing University in New York. Lesson #1: if you're not on the web, you are not going to be able to compete in the new era of publishing. This was the message that permeated almost every presentation at Publishing University. So for those of you that are Internet friendly, you will have no problem entering the digital era of publishing. For those of you that shy away from technology, make becoming friends with the Internet your new year's resolution. Here are some of the takeaways in how publishers can utilize technology effectively.

1. Social Media is the new publicity tool. It may not be necessary to hire expensive PR and marketing firms. Get yourself on Twitter, Facebook, Google Plus, or any of the other social media platforms that exist on the net. Start conversations about your authors, books, upcoming releases, and book publishing in general. People want to feel like they are a part of your business, not simply a consumer. One of the best and

cheapest forms of publicity is creating a following and fan base that feels relevant and connected to you. Remember, social media should not be used as a selling tool. It should be used as a relationship building tool, one where consumers can engage in conversation and be a part of an author's inner circle.

2. "A picture says a thousand words." I know this may sound painful to you authors out there (and I'm one of them) but the truth is that video is quickly becoming the number one medium for marketing, branding, and networking. People are fast becoming accustomed to short, clever videos that communicate something meaningful or at the very least, entertaining. Get your laptop or webcam and start to play with video. This effort goes far beyond creating book trailers. YouTube and other video friendly sites are a place to create buzz and connection to your books and authors.

3. It's time to get digital. It does not cost a lot of money to get your book e-reader ready. Today, it really is a *must* to have your book available for e-readers and uploaded for sale on the various outlets on the web. Also, make sure you take advantage of the site's author pages. It is another opportunity for you to connect with your readers and develop your brand and fan base.

4. People need to find you on the web, not the other way around. In order for this to happen, you do need to pay attention to SEO (search engine optimization) tags, links, and trackbacks. I won't go into any detail here as this is not my area of expertise. What I will suggest is that you consult with someone who is and get your website and blogs in order.

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PUBLISHING UNIVERSITY RECAP

(cont'd from page 2)

5. Which leads me to my final thought--blogging. Writers need to blog. You need to blog about your book, your book's topic, and your writing process. You need to find a way to encourage your readers to participate in the conversation. You need to have your posts or articles on various sites and in various modalities on the web. You need to write regularly. So for those of you that live to write, this will be a no-brainer. For those of you who struggle to write and thought you were done once your book hit the printers, sorry to burst your bubble. Be prepared to write. Promoting and selling your book actually requires more writing hours than what you put in writing the book in the first place.

So go forth and create a digital imprint.

Julie Orlov, MAOL, MSW, LCSW, is a psychotherapist, speaker, and author of *The Pathway to Love: Create Intimacy and Transform Your Relationships through Self-Discovery*, www.julieorlove.com

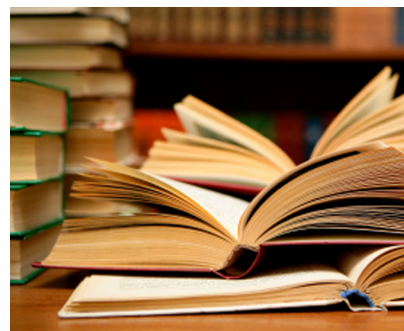


UPCOMING EVENT:

Publishing University on the West Coast

Mark your calendars for IBPA's Publishing University--on the West Coast. The 2012 IBPA Publishing University will be held in San Francisco on March 9 and 10, 2012, at the beautiful Sheraton Fisherman's Wharf. Visit www.ibpa-online.org for more information.

All of the PALA Board and officers have attended Publishing University. It is an invaluable and worthwhile experience. If you have any questions, feel free to contact any of us.



ANNOUNCEMENTS

Do you have news to share about your company? We're all ears! Let your PALA colleagues know if you have a new book, made a rights sale, signed up with a distributor, won an award or have any other good news. Post it on the PALA Listserv, or e-mail it to info@pa-la.org for inclusion in a future newsletter.

Do you know of an event, seminar, panel discussion, festival or other gathering that would interest PALA members? Please share it here. E-mail it to pplspeak@att.net for inclusion in a future newsletter.



DIRECTLY FROM GOOGLE-- TRANSCRIPT OF 9/19/11 MEETING

We're very, very pleased to welcome our two guests. Garth Convey is a software engineering manager at Google. Prior to acquisition by Google, Garth was cofounder and president of eBook Technologies. The ETI team played significant roles in pioneering the eBook market. And joining him is John Evans, cofounder of Diesel, a wonderful bookstore, with Allison Reid in 1989. Diesel now comprises three bookstores, one in Oakland, one in Malibu, and one in Brentwood. Besides being a manager, buyer, events coordinator, owner, and all-around bookseller, John has served as the vice president of the Southern California Independent Booksellers Association and is currently the director of the Board of the American Booksellers Association. Please help me welcome both Garth and John.

Thank you, Gary and Sharon. Since it's a pretty intimate group tonight, if folks have questions, feel free to interact. If it's something really embarrassing that I won't know, maybe hold it until the networking party afterwards. As Gary said, I'm a software engineering manager with Google. I work in the Irvine office as part of the Google books team, and one of my excuses I'll start with this evening is the acquisition that Gary mentioned was in January of this year, so if you were to ask me how Google AdSense works, I am not going to have the first clue. I barely know a bit about how all of the Google Books stuff works. The part I work on I know a fair bit about--anyhow, that's the leading excuse.

Quick agenda here--talk a little bit about what Google eBooks is. I struggle with that "is." Is Google

eBooks a thing, or is it a collection of books? And if it's a thing, it's an "is," so I finally went with "is." So, you know, the editors in the room, we can argue about that later. I'll look at the books partner program, which is how we get books in from publishers, either electronic or paper, and scan them and search and do all that stuff, and then talk a bit about the Google affiliates program, the retailer program. And John will talk more about the particular implementation of that retailer program in his piece--and then part of your punishment tonight for letting an engineer come in, rather than, say, a marketing type or product manager, is I'm going to talk a little bit about the technology of the formatting of eBooks, which is another area that I'm involved in.

So, without further ado, there's only one video in this presentation. If no one can hear it, we'll skip over it. But let's give it a shot here and see what happens.

(Video) Someone writes a book, someone publishes it, and you buy it and carry it around until you're done reading. And then, if you're a book lover, you repeat this process with lots and lots and lots of books. But in the past 10 years, a very big change has happened--books have gone digital. Today, there are all kinds of eBook standards, each with their own dedicated eReader, and their specific place to buy eBooks, and each lacking one thing: choice. The idea behind Google eBooks is to truly set your reading free from all these limitations. Google eBooks stores your library safely in the digital cloud, which means you can shop for all your favorite books wherever you want them and read them wherever you go, using pretty much any device with an Internet connection.

Let's say you wake up one morning

and decide to read The Girl with the Dragon Tattoo. You may begin the story at home, on your laptop, over coffee and pastry. You'll really be getting hooked on your tablet on the train to work, and by noon, you'll be racing through the chapters on your smartphone when you head out to grab some lunch. Now imagine if you're carrying around not just one book, but a lot of books. Like maybe a couple million of them. With Google eBooks, synching all your books with all your devices isn't just simple--it's automatic. You can take a break in the park with some Stephenson, reference your favorite French cookbook at the supermarket, get lost with Grisham on your cross-town bus ride. Whenever you open one of your books, you pick up right where you left off. With millions of books to choose from in every module category, finding what you want to read on Google eBooks is easy. You can check out the New York Times' bestseller list, browse the Google eBookstore, find recommended titles or free eBooks, discover up-and-coming authors, or buy eBooks from a growing number of independent booksellers and retail partners. Google eBooks is all about the choice, from what you want to read, where you want to shop, to how you want to read. It's all your books in one place, no matter where you go. That's truly a reading unbound. Start exploring eBooks at www.books.google.com/ebooks.

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Google (cont'd from page 4)

So when you get a cool marketing person involved, there's going to be a lot of pretty primary colors. Now, looking a little bit into the state of the industry, I think that the *New York Times*, sometime in May, made a comment that the latest chapter is unfolding in the tale of the book evolution as it transitions from ink to pixels. I tend to think of it as from atoms to bits, and I don't really think of it as we're moving from ink to pixels or atoms to bits--it's going to be a mixture. We're going to mix more and more bits in with the atoms as we go forward. I'm certainly not here predicting the death of the paper book by a long shot. But certainly, eBooks are going to play a more and more important role over time, and the market is moving along. I've been doing eBooks stuff since '97, and, finally, this time, it seems like it's really happening, which is really gratifying.

Q: Out of curiosity, the very first word on the slide is eBooks, with a capital B. At the very bottom, it says e-Books, with a hyphen in it. Do you think it's going to be standardized? What's your prediction?

A: The question was about this rather horrendous slide that I didn't notice that had two spellings of eBooks on it. I am a camel-caps person, and so I like the interspaced capital. It's a religious thing.

Statistics out of Amazon reasonably recently, early this year, they've certainly been talking quite a lot about how many eBooks they're selling, but of recent, the numbers seem to have some veracity of 105 eBooks sold for every p-book sold, and that was counting the books that are in paper, but not in e-form, and it is discounting all of the free books.

And that's the number that really sounds like it has some veracity and, of course, Amazon is a website and buying electronic things there make a certain amount of sense. And the growth rate is obviously significant. And year-to-year, things are moving forward.

Q: Would you repeat that statistic? They said how many? Amazon says that?

A: Amazon sells 105 books for the Kindle reader for every hundred hardcover and paperback books. It's adding those two, and that's including books without a Kindle version and excluding for eBooks.

Q: What about resales? You know they sell a lot of used books on Amazon.

A: I do not know the answer to that. Including the ones that don't exist in e-form and excluding the free ones, that's the first time--well, that statistic means they're selling a helluva lot of books, of eBooks, so I include that.

Q: Just as a point of clarification, was that not the statistic they cited during the Christmas season when they were pushing a lot of the holiday books?

A: That was; I have some fine print here on that one. Well, it was Q1, I think. It came out in April, so I bet it was referring to Q1. Don't take that to the bank--it could have included holiday sales.

So what is this Google eBooks thing? It's an open cloud-based e-commerce platform for browsing, buying, storing, and reading eBooks. We launched in late 2010, and the guiding principle is that it's not just access, it's an open ecosystem to let our partners play in the space and

make money off this world as well. So what makes it different? It's open. It's not just selling, it's enabling. We're going to be talking about the publishing partner program and the retailers and affiliates programs and, you know, it's always fun to have a lot of statistics with big numbers in it. About 7,000 publishers have titles available in Google eBooks. These are available in electronic form. We have about 300 retailers that are now selling books in the U.S. About three million titles are available in the U.S. with hundreds of thousands for sale. So those others are public domain titles. And when we say people have found four million books, that's nice, that does include free eBooks. A lot of the content is out of copyright content, and this number, I'm sure is stale, but I do not have the newer number. But let's say 1 billion or more pages have been read at this point off the site. And you know, with the scanning operation, not all books are new, so books back to the 1700s and certainly going forward are available.

Now, I'm going to duck a little into the partners program--and it's important to think of it as a cycle and not just one piece. The partner program is the program whereby publishers can get content into the Google infrastructure. We can scan it; we can make it available. Hopefully nowadays, it's coming in less paper and more e-format, but we certainly have a great deal of expertise at scanning and digitizing.

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Google (cont'd from page 5).

Q: I take it that lawsuit's been settled about Google scanning books without getting writer, author, publisher . . .

A: No, it has not as of yet been settled, and I am not personally involved in the settlement litigation. There is a site to go to that is updated fairly frequently on this, which is googlebooksettlement.com, but that's all in play.

Q: Can you confirm that Google has not stopped scanning books in the process? They're still scanning roughly, what is it, 6,000 books a day, is that the number?

A: I don't know on that, but we're certainly scanning books that are coming in from our publishing partners because those are supplied. Our operation to scan and digitize and make available for search and sale through the publishing partner is definitely going on. The library program, again, I'm not as familiar with that, but I'm pretty sure pieces of that program are continuing to go as well.

Q: Are the color books say you're scanning in color or black and white? Because it turns out the black and white from Borders and Amazon turns out to be . . .

A: Now that is a very good question I should know the answer to. Yeah, well, you know the color screens on the Nook. I don't know the underlying technology on the stands. I would be happy to follow up with you on that. The question was whether we are scanning in color or gray scale, and I don't want to stick my neck out there. That's another piece of even the Google books project I'm not directly involved in.

Q: I have two questions. First, as to public domain books, is it possible for a private publisher such as myself to republish those in partnership with Google, or is Google going to maintain a monopoly on publishing public domain works for itself?

A: We're not publishing. I mean, we're making the public domain books available for free, and there are certainly library and university operations that we're working with to provide the public domain, using our scan to get it out further than just on Google. Beyond that, I can't specifically comment.

Q: My second question is, compared to Amazon, approximately what is the Google books market share? In other words, as a publisher, how important is this to me, compared to Amazon?

A: It's very important.

Q: I can answer about the copyright. When you present a book, it's scrutinized by both Amazon and Google, and if they think that you don't have a proper access to the copyright, they question you and you have to prove that. And if you don't have it, they don't give you the rights.

We certainly worry about that and books that are--that has a great deal to do with decisions if the book is available for full preview or snippet view.

Q: But to clarify, if a publisher were to come out with a separate edition of a public domain book, I wouldn't think that there would be a reason Google would not be willing to carry it from the publisher. Penguin will have an imprint of something they have in a Dover edition, and all of those will be available as Google eBooks. I think that's what his question was kind of--

Q: I've been through this process with both Amazon and Google because I had a book that we brought in from England and made it Americanized and copyrighted the American version, and they tried to take it away from us, and we proved that we had the copyright so they gave it back to us. But if we hadn't changed, we would not have had that.

A: Right, there are certainly many editions of *Alice in Wonderland*. You know, the annotated one they made will still be in copyright, so it's not as cut and dry as one might hope.

So, as I said, we're going to talk about the partner program, and that's getting the content in, and then we'll sort of move on to the purchasing and reading side, and this is all sort of part of the Google books infrastructure.

If you look at the outermost circle here, Google books is what started years ago, which was scanning of book content and getting it searchable on the web and showing either snippet view or full preview, depending upon ownership of content. And that was initially all oriented toward paper content, and that is still a program that is going strong. We're definitely behind that, but we're going to be talking more about the partner program and the eBooks piece, which was actually saleable content, more this evening. And you know, the Google mission is to organize the world's information and make it universally accessible and useful. You know, getting things that used to be on paper, such that you can do a search for it and find something interesting out of it is clearly right in the mission statement.

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Google (cont'd from page 6)

And to date, we've scanned somewhere over 15 million books in 400 languages, and more than 13 million of those have come in over the library project, working with libraries and supplying their corpus to us to get into the program.

Q: Now, Garth, you said--it says that in order for it to be published in Google, it has to be available for preview. Is that the whole book?

A: Now, the publisher sets--it's usually a couple of percent, maybe 5%, but the publisher sets that amount. But it's not snippet view books, where we can only do a little tiny bit.

Q: With regard to the actual digitizing of books, 6,000 a day, are they actually digitizing those by use of OCR? Who is proofreading all of those?

A: I'm not going to confirm or deny, because I don't know the 6,000-a-day number. Yes, there is OCR involved because we have to do that in order to be able to search on it. There's an awful lot of work that goes on at Google to get the OCR correct. And that would then be--going into any details on the secret sauce there is probably something I shouldn't do. But yes, we're definitely OCR-ing. We're getting it searchable, and we're trying to get the results as accurate as possible.

Q: Translate OCR please?

A: OCR is optical character recognition, which is looking at it and turning it from bits, you know, a picture of a page of a book into flowing text that we can index in the Google search engines and search

against and provide results, because we can't--yes, with Google Goggles you now have image search capability, but that's not used for books.

Google Goggles is really cool. It's something I'm not at all involved in, but you should look it up and play with it some time. It's an image search capability. Anyhow, the partner program. This is content coming in to us from publishers, providing their content, wanting to get them indexed and searchable and providing places to buy it--paper, predominantly initially, but now also e-versions of content.

OK, lots of countries' content has come in with the 40,000 publishers, our members of the partner publishing program, including all major U.S. publishers at this stage, and we have about two million books that have come in through this program to date and are obviously searchable as part of the corpus.

Q: Google as a search engine can translate into different languages. Will Google books be able to translate your book into different languages?

A: You certainly wouldn't want to take literary works and apply machine translations to them. Google any old website, and there's usually a link somewhere to translate it, which is very useful if you're doing research because you can get the gist of it often. But you're not going to translate a literary work. Homer's not going to come out in French or whatever. While it didn't start in French, but anyhow, you get the picture.

Now the thing that is really cool here is with this search capability, we do this OCR, so we know every word in

every book we've scanned. And Google's kind of good at this search staff, so when someone does a search at Google, not only are we searching all the websites, because the websites will show up, but you also get book results interspersed now if our matching algorithms come up, and if that book result is pretty relevant, it will show up there. And, you know, for a user getting a curated piece of information that is really relevant to their search that they might trust, a book, rather than a random website, it is pretty cool.

I did a little experiment. I happen to be reading this book at the moment, and I wanted to try this search thing. And so I opened a random page, a random paragraph, and it says "That night Jesse was back at Il Capriccio." So those words, I put quotes around it and typed into the Google search box, it came up with only one reference that had that sentence in the entirety of the Internet. And that's how unique, that's how CD identification is done, with little sound snippets. You know that was just a random thing out of a random fiction book, and we found it. It used to be called Google whacking if you could design a query that you would get only one answer to. I was, of course, cheating because in the old days you had to use two words and you couldn't use quotes. So I was really cheating, but it's pretty amazing that this stuff works as well as it does.

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Google (cont'd from page 7)

Q: Also frightening.

A: No, I'm going with amazing, not frightening. So anyhow, this is not as cool of an example. We've typed in "accidental capitalist" here, and we're going to go to the next screen, and that second one there is a Google Books results at books.google.com/ something and then identifying that book. And so you have, as I said, that mixed in with the websites this well-edited, curated piece of content that is a match and so we're able to go to sort of a 1 to 1 match between what the user was looking for and an actual piece of content, something that really wasn't possible before. So that was that book's one.

And now, when you search for eBook results--OK, that was nice to have that little snippet there, but what you really want to do is see the rest of the book. So, I clicked on that book result there, and I end up with a preview. We land on a page that has the first--*Accidental Capitalist* is there on the first page that had that string on it, and you're able to--this is a limited preview, whatever the publisher allowed for this book, but I'm able to move around to a limited extent, maybe find other matches for this title without exceeding the amount that we're allowed to display. And there's the book info page, which would go to more information that would have a full description, reviews, that sort of thing. And this is the paper book; we have "Get This Book." WW Norton and company is the publisher of this book, of this particular title, and you note that this is the first "Get This Book" and so if the user were to click there, you'd go to that publisher's site, with the page necessary to purchase that paper

book on that publisher's site, and down here is also the publisher's information. This is if you're a member of the partner program and you've provided your publisher logo to us, then we can do that little thing there. And if you've given us a URL to go with that book to purchase it, we'll put it as the first one there. And then the other ones, we know the ISBN and so we're matching that and going, OK, you know, you're in the U.S., so Amazon.com is a good place to get it, and if you were in Canada, it would be Indigo, and Blackwell in the UK and so forth, and other places we might find the book.

Q: Now the publisher provides that information?

A: Yeah, the publisher provided this information with the membership in the partner program. They provided their logo, they provided the content. In this case, they did provide the URL that we will put first for how to purchase the paper copy, and then we will hunt around to find other places. We do the bottom ones because we know the ISBN. We can find who else sells it and throw that up there as well.

Q: What about the eBook?

A: That's the next slide! We're not talking about eBooks yet. No, this was the classic world of paper books.

Q: When you talk about publisher branding, if you use just one of those self-publishing websites like CreateSpace, does that go up there?

A: If you remind me after the presentation, I can take that back and get an answer for you. I just don't know.

Q: Well, because the ISBN would be different if it's a CreateSpace book.

A: Right. Clearly, the obscurity of the ISBN and the obscurity of the availability of that ISBN--we won't be able to populate where to get it very well in those spaces.

Q: To be a partner, do you just send an e-mail saying I'd like to be a partner?

A: It's similar to that--there's a URL near the end of this for how you go about doing that.

So, we've gotten through search of the partner program, preview, and now--that's sort of the classic paper book side of Google books. And now we're going to head into the eBooks side where you might purchase and consume the content. It seems as though *The Girl with the Dragon Tattoo* does very well on these eBook presentations. So, that's obviously a book that's available as an eBook. It can be purchased from Google.com or any of these 250,000+ retailers that we'll talk a little bit more about. And whenever they are bought, they flow to the cloud--that's one of the interesting things about the Google eBooks offering. The bookshelf lives in the cloud, so any time you purchase, from wherever you purchase, it flows into your cloud-based library, and you can consume it on any of the devices and iPhones and Android phones and websites and so forth that can consume it.

Q: Does Google charge for that?

A: No. We charge for books we sell, but the cloud-based storage is not chargeable. The applications you would read if you're using an iPhone or an android tablet, those are free applications. If you're reading on a device, then somebody would have sold you a device.

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Google (cont'd from page 8)

Q: If I understand that slide, then Google is the primary supplier; the publisher is now relegated to the bottom? I can't see it from here, but the little blue book there that is on the top of the blue box, is that Google or is that Random House?

A: Well Random House doesn't sell eBooks. That little blue book here, that is Google, this is our store. We're selling it. Random House happens to be the second one there, if you want to go to the Random House site.

The final piece of this is the reading experience. I think the significant part is it's all in the cloud, so as a membership of the partner program, we're bringing in the titles, we're converting the titles, OCR-ing the titles if necessary, making the titles available, and pointing out where you can get the paper versions of the title, if you've authorized eBooks sales of the title--clearly that's an "if." If you want us to sell the eBook titles, we're happy to do so, and in that case, we're making them available through our store and at any of the other retail partners.

Q: Who sets the price of the eBook?

A: That gets into whether it's a wholesale world or an agency book, and there's multiple answers to that question depending on the author-publisher relationship agreements.

Q: Just one question about privacy, which we get further and further away from because we have the convenience of Google providing us all this easily extensible information. But yet, when we put all our books on that cloud library, then we lose that privacy, right?

A: We are storing the books in the cloud for the user, and what privacy are you giving up? I mean, your library is yours, and so we do not make that available. Unless something goes wrong, you should be giving up no privacy. Google is very concerned, corporate wide, about privacy, but--

Q: But Google uses that data for its own research, correct?

A: We certainly know what you search, and we use that to provide better results. I don't know on that one.

Q: On Amazon and a few others that I deal with, on a \$10 Kindle book, we earn about \$7. How much would we earn on a Google book, provided they have the same title as an eBook?

A: As a partner, that varies partner to partner and depending on the relationship. Going into specific business terms, (A) I'm not the right person, and (B) the standard answer to that is certainly that the majority of that flows to the publisher. But I'm not conversant with specific business deals.

The other thing is, we have multiple retailers--we have the Android mobile store, we have the Google store, retail partners, and so forth. Regardless of where a purchase was made, it all flows to the same bookshelf. And so, if a retailer, for instance, wants to offer you a reading experience on their site, that would be your complete library, regardless of where the things are purchased.

Q: Do all the graphics have to be removed?

A: No. No, that would be a bad thing. Graphics are good.

Q: The graphics are removed on Kindle and Amazon? They're not removed on Google?

A: Yes. Images are great in our platform.

Q: Right, because they demand HTML, and you do not?

A: Yes. Obviously, in the browser we have the web reader, so PCs and Macs, smart phones--you can have the applications for Android, there are the applications on tablets, iPad and Android tablets, and readers, reading devices. This happens to be the iRiver device. This one is hooked--from a software perspective--it's hooked directly to Google. It's yet another e-reader. It, however, has a direct linkage to the Google library, and so it accesses your library that way. But if you had a Nook or a Sony reader, it has the same Adobe RMSTK software inside it. You can move content out of the Google library onto those devices as well. There are lots of these apps installed, about 2.5 million. I don't know how old that number is; it's clearly bigger than that now.

I think that the sort of thing that's most interesting is that it's all in the cloud. The retail partnerships, we'll talk a little bit about, and this is an area that's very important to Google; we're continuing to work on this. From a publisher standpoint, you can get your titles out there, get them searchable. We can point either at e-versions for sale, if you choose to do that, or where to get paper versions.

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Google (cont'd from page 9)

Q: Garth, the Kindle has its proprietary system, so this would not be compatible with that. However, with Google, is this an Adobe-based system or is it? What is it?

A: Out of the bookshelf in the cloud, we can output Adobe, ACS4-protected content, and so it can flow to any of the devices that have RMSTK inside it, being the iRiver, the Nook, or the Sony or so forth. No, the twain do not meet with the Kindle.

Q: That's the only one?

A: I'm sure there are others, but a lot of the competitors, a lot of the non-Kindle reading devices do have the Adobe RMSTK inside them, and thus, our content can flow there because that's--it's a proprietary yet open DRM.

I did see Google Plus and was requested to say something about it, so I have a couple of screenshots here. This is an About the Book page for a short story that Lee Child published recently. This is just sort of a normal page. And you note up there, this is reasonably new. And so if we were to click on that, this is sharing out into the Google Plus social network. And when I click "share," it's pulled the title, the cover art, the description (which can be removed if you want), and then let me put in whatever I wanted to say about it. It's a really fun read by the way. I'd recommend it. And so then I picked the circles that I wanted to share it with, and I'm going to click "share," and then I moved over to my Google Plus account, and in my stream that had--I obviously snapshotted it out of there, but that went to the circles I wanted to share with and also is on my stream. So

that's a little bit of the social sharing that Google is obviously working very hard on with the Google plus, as it's coming to eBooks.

(Unintelligible question)

These are the various sets of APIs. For various types of programs that we have in the Google books infrastructure, the affiliates is a referral capability where a site can refer sales through Google and we're going to do the sale and the site that did the referral is going to get a commission. John is going to talk more about this retailer side of the world, where the retailer wants to retain the customer. Actually, we would be a wholesaler, and the retailer would then be . . . and when we talk about 300 retailers, there's folks down in this area. I don't actually know the count of affiliates. So, one's a referral, one's an actual retailer of the Google eBooks corpus.

And I'm not going to talk in any detail about the people who want to build devices like these iRiver guys. There's a set of services available that you can build a device that hooks in with our infrastructure. So let's say Joe has this pub-finance site here, and it's a blog and occasionally he writes about books, and it might be nice if, when he writes about a book and the person on the blog wants to look at the book and eventually buys it, Joe might like a commission on that. This is the affiliate program. So, we have this Google affiliate network that Joe would sign up with, and once signed up with, he could get a feed of all of the Google books that are available, which is lots to digest, millions. And so, it can work that way. You can also go through the Google books API, so that site could search for particular titles, see if they're available, and then they would get basically a

referral link, such that when somebody clicks on a title on here, that link is referred back to the Google network. It then goes "Oh, this came from Joe, this is a potential commissionable event." And then it will move over to the Google eBooks store, probably pointed at that particular book. And then if all goes well, they preview, all looks good, it goes through Google checkout and they just bought the book, it flows to their library. And then, at the very end of that transaction, a purchase actually happened that goes back to the Google affiliate network and a month later or some time later, a commission check actually flows to Joe. So he's actually monetized his financial blog site by being able to refer book sales through the Google eBook store.

Q: So we get commissions for our own books, by doing this?

A: If you are an affiliate, yes, there is a way to do that. That's what this program does.

To learn more about the partner program, to learn more about the affiliate program, we can certainly make these available at some point. I told you I was going to talk a little bit about ePub. ePub is the standard in the trade press space predominantly, though it's moving toward much richer content--newspapers and magazines and textbooks. For the digital encoding, the publisher would create content in this format, and it would flow into the various digital repositories for eventual sale. The ePub comes from the IDPF, the International Digital Publishing Forum. I'm the Chairman of the Board of the IDPF, and so I've been very involved since '99 in the standards for electronic publications.

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Google (cont'd from page 10)

So, the IDPF's an international standards organization, working in the enhanced web content and packaging it together, and that's the ePub standard. But ePub is a structured and semantically enhanced web content. So there is navigation information, there's metadata information, and it's all packaged in a single file that can then be provided. If you provide your eBooks to Google, you provide them as ePub when you provide them to other sellers, hopefully ePub as well. We are working now on the ePub, and there's actually a membership vote on the ePub 3 standards. It's actually happening right now, that should be ratified probably in another 15 or 20 days. A lot is happening in ePub 3 over the previous versions--much more metadata, the ability to include things like the onyx feeds in ePub files, audio and video support, some scripting capabilities, moving to HTML 5 markup, a lot of work in the global language space for vertical writing and so forth in the Far East, lots more publisher control of the visual layout of content, the columns and hyphens and wordbreaks and lighting and all of that good stuff, a lot in the accessibility space we've been working on, navigation and semantic information and so forth.

So there's a lot of work going on in the ePub space to give richer content layout. And I apologize for talking *exactly* 50 minutes right now. So there you go.

I'm John Evans from Diesel bookstore; this is David Evans. And we're related somewhere far back, but we never met each other until tonight. So I was going to go over everything to do with indie commerce and the kind of integration of Google books into traditional

bookselling, but I wanted to give you a very brief description of indie bookselling and that art that's happened.

There are various treatments to how the industry has evolved in the last 30 years. I'm not going to give you a play-by-play, but when I started as a bookseller in 1980, there were no computers in the book business. None at all. When we opened our store in 1989, there was computerized inventory--radically different than what was before, much easier for doing electronic ordering on dial up, on concurrent DOS. At that time, there was also a big fight between Barnes & Noble and Borders. You all remember Borders. In that period, there was a steep decline of independent booksellers in the United States. They used to be in every community, for the most part. There were some Borders and some Barnes & Noble that went into underserved communities, but in general they went into communities near indie bookstores, and we already knew that.

And so, in 1993 or '94, we had our first website, which is relatively early for a bookstore. It was before the ABA had created a book site, and Amazon wasn't significant in any way whatsoever. In a way, what's happened, with Amazon recently, and Borders closing, in the last decade, indie bookstores are actually coming back, which is kind of the opposite of what you often hear in the media. So certain large bookstores will close, the large regional ones and large big box retailers, but the small bookstores are actually in their communities, starting up all over again.

So why is that? Well, part of it is that people really love to go into bookstores and find things. Part of it

is that indie bookstores like to integrate the new technologies with what we're doing. And what we've always done is provide intellectual property into the hands of readers. And so, we do that no matter what format it comes in, whether it's hardback, paperback, if it's magazines, if it's digital. That's something that we want to do and *do* do on a regular basis. So there are various restrictions, as you heard with the Kindle, and with Amazon in a proprietary sense, which is their business model. If you heard what he said at the beginning about Google's point of view is much more in line with what publishers--much more in line with book culture than the model that's previously been the case with eBooks. And so now you have an open--especially young people. They want to have access wherever they are, they want things wide open; they don't want all of these proprietary restrictions on things. And Google is about that, and independent bookstores are about that.

In the last few years, indie commerce was developed by the American Booksellers Association. Right now there are over 300 booksellers across the country that have partnered up basically with Google and an indie commerce platform so that book lovers across the country can come to their independent bookstore online and purchase the same range of things they would get from Amazon, that they would get from Barnes & Noble, that they would get them from their local independent bookstore, which for a host of reasons--political and otherwise, and privacy reasons as well--they may be inclined to do.

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Google (cont'd from page 11)

But from a publisher's point of view, it's the growth area. So, for example, the sale of eBooks within indie commerce has increased 400% from the first to the third quarter of this year. Someone asked a question about Amazon's percentage of the market and whether it's significant, and I believe two years ago it was 95% of the market. Now it's in the 70s. And so what's happening is that BarnesandNoble.com, indie commerce, Google, Apple--all of these other people have come up into this sort of second wave of eBooks that Amazon was the first wave of, and Amazon kind of cut a path through that largely for other reasons--like, for example, capturing customers to sell refrigerators to and electronic devices and all kinds of other things.

But the second generation of eCommerce with regard to books is much more diversified, and the customers demand a kind of open cloud-based--it's a great solution to that. We've been very excited to partner with Google in doing this, and I'm going to kind of take you through briefly what that's like in this little PowerPoint presentation. Each of the sites is different looking. We use a Drupal platform, which allows a lot of flexibility in the creation of websites for independent booksellers so that you don't need to have a computer genius working in your store to create a very aesthetic and characteristic site so that your regular customers can feel comfortable with your site and your store and it has your own unique look and feel. We have a customer in our store who comes in regularly and shows us her bookshelf on her iPad, which she didn't purchase until she knew that she could purchase Google eBooks

on to it because she knew that she wanted to support that bookstore. So that kind of identification with a customer, that kind of trust in our recommendations (as opposed to something that is often more corporate or marketing driven), from the reader's side of things, that's very attractive. That's why people go, "Oh really, I can order from you? That's so much better!" Well, why is it better? In some ways, what's the difference? But for them, aesthetically, it is different. It makes a big difference to me, but I love that they appreciate that difference.

Q: Are the prices the same?

A: Yes. So the agency plan was adopted earlier this year, and that sort of leveled, for the top six publishers in the country--so, Random House, Simon and Schuster, Harper, all of them have joined in an agency model system for eBooks only. This is not for print books. So this means that the price is basically the same for all of them--they set the price. The publisher sets the price. That's the price whether I sell it, whether Amazon sells it, whether Barnes & Noble sells it. We cannot undervalue the publisher's pricing. The good thing about that in the long term, depending how you look at these things, if you value the intrinsic worth of intellectual property, you want to protect it from undercutting a pricing in a mass merchandising sort of way. So, in other words, using books as a loss leader to get people to buy refrigerators is undervaluing what the book is. I had a publisher, a friend of mine, who only sold his book at list price. He sold it, it was a small addition thing for contractors, and Amazon would buy it regularly and sell it at 40% off, but he was selling it to them at full price, so they were selling at a loss. Why were they doing that? Because they wanted

those customers, for a period of time, to buy other things. You know, it's just a crazy system. But it also undervalues the price of the book. Anyway, at this point, eBooks, for the bulk of the books published in the United States, are the same price no matter where you're going to buy them. So why would you buy them through Google or an indie commerce site? You can access your mobile device, you can access your computer, you can access the cloud of your bookshelf, or your bookshelf in the cloud from any device that you want, you can buy from anybody you want, and there's no conflict. So for a lot of people, that's a very attractive thing, and I imagine that sometime within the next year or so, Kindle will have to drop its proprietary thing because it will just look too bad and it will have to become part of that ecosystem.

Q: Do I correctly remember, there was a lawsuit against the big six regarding this agency settlement? And then I have a follow-up.

A: Yes there's a recent lawsuit.

Q: And the second question is, how did that resolution, that they agreed to price fixing--

A: Well that's not the right--

Q: Well no, that's exactly what it is. But how did they get that past the federal government? Because there are laws against that. I'm just curious how they got that exemption to price--I mean, that's in contravention to the law that's been around for 80 years.

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Q: That's exactly what they did. They will set a price, and no one can sell it for less than that.

A: No, if I say I'm going to sell--which I do--I'm going to sell books in my store and at such and such a price. I can do that. And you can say, "Well, somebody else is selling cheaper." And that's fine. But they're not all agreeing to sell a hardback book for \$15.

Q: But they are agreeing to sell all the eBooks at exactly the same price as everybody else.

A: Yes that's right, I am.

Q: But the publisher sets the price?

A: The publisher sets the price. The owner of the products, yeah. The owner of the content.

Q: Are the self-publishers the same as mainstream publishers?

A: It's up to the publisher whether they do it or not, just like it is with those six. What they were, I think, trying to counteract is Amazon undervaluing their products.

Q: While the other pernicious thing that Amazon did was start selling used books, because at that moment, no intellectual property was given to the authors or the publishers, and we were selling to Amazon at the time, but what we were selling dropped by 50%.

A: I mean, arguably, that would be a place for a lawsuit because the sale of used books, theoretically, money should go back to the publisher. Other aspects of the indie commerce thing, as far as how it plays out in the bookstore and why people would

come to it, is they can do in-store pickup or they can have it sent or they can have it shipped from Ingram as a destination, just like you can do with Amazon or anything else.

Q: On the eBooks?

A: Yeah, well, no. This is for the indie commerce site; this is for print books. You can have books shipped anywhere around the country, so it's a fully integrated bookstore that integrates print books as well as eBooks. The indie commerce site--what it's done most recently is integrate Google into it.

So, this is an example of one of the sites, Aunt Molly Jackson. It's in New York City. I don't know how many of you have been to many of these indie commerce sites. I'm just showing you a couple different examples to show you the different looks of these different stores, like Book Passage up in Northern California. This is what has increasingly appeared on indie commerce bookstores this year, which is the Google eBooks link, and I am going to show you how you move through indie commerce websites to review those books. You click on the Google eBooks; let's see whether they have it on their site. And then you can select whatever books you would like. There's *The Singer's Gun*; it's a little hard to read in that slide. That's a Google eBook. You click, it goes straight to shopping cart software. You have to fill in the typical kinds of things you do on almost any website, with your information that is then kept. One of the advantages, again, of indie commerce sites is that independent bookstores have been profound protectors of privacy over a long period of time, and the possibility of an indie bookstore coming up and

yanking 1984 off of your device is just not going to happen.

You know, many of these improvements that are happening through Google and that are happening through in the commerce will eventually be adopted by Amazon and will eventually be adopted by Apple and Barnes & Noble. Barnes & Noble is already doing a lot of these things. So all of a sudden, what we have, which is great, is greater competition out there--and reaching a wider array of different types of people, people that want different kinds of selection. So as Garth had pointed out earlier, choice makes--you know, we live off of it here in this country. We want to have the choice to be able to go to wherever we want. We don't want someone to dominate an industry. And so it will keep all the players honest. You guys will be able to distribute your books more widely.

Q: John, I'm aware of being able to retail eBooks through Barnes & Noble and Diesel as an online bookseller. What about all of these other smaller places? How would someone, you know, a publisher, get their books for sale in the smaller indie bookstores?

A: Well, there are two ways you may be talking about. So if you're speaking of books and eBooks online, it's very easy.

Q: Do you have to go to each one of the sites and list them?

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A: Any of the things that you have, if you have them with Ingram, they're already there through Google. So my first advice to you would be to check to make sure that any book you publish gets in the Google eBooks system. Then it's available almost everywhere.

A lot of this, we've kind of already looked at before. But these are the kinds of range of titles that will pop up as you're doing your various searches. I don't know if many of you have heard of various kinds of partnering that's happened with publishers with indie bookstores and Barnes & Noble as well. Bundling is one, bundling eBooks along with the print book. That can be done through QR codes. Many bookstores even now are using QR codes, we are in our stores, where someone coming up with their iPhone can look at our bestsellers, and then they just take a picture of the QR code and it takes them directly to our website to that book on the website, and they download it right there on to their iPhone. It's great for us and it's great for them rather than them having to go home and do it later. It's a great way to integrate the bookstore with the eBook store, which increasingly is what our customers are wanting. There are some people who want to live entirely on the Internet. And there are some people that also want to get out every now and then. We can take care of both of them as far as getting the intellectual property into their hands. There are also a lot of people for author events that are downloading the eBook in advance of the event, and then they come to the event and get signed copies, which is interesting.

Q: Signed eBook copies?

A: No, they get signed copies of the print book. It's really hard to sign the eBook copy. A lot of stores are doing "petting zoos," which we also do as well. It shows how you can download onto various devices. Of course, increasingly, they're going to be Android tablets and all of that, that people will be downloading and using for their book reading.

Q: But you can have digital signatures, you might be able to...

A: Yeah, I mean definitely. You know, the books are also getting enhanced in the graphic elements and the physical aspects of actual books, as publishers--some or most of you will be aware of this--are integrating that into your design process and restoring the kind of physicality of the book, which is what a lot of people like. Even Google said a year ago what may very well happen with the eBook, their expectation, is that of all the books that are printed and that come out in eBooks format, 15% of the sales of those will be eBooks. So what we're talking about tonight is as if the world is going to change into one thing and only be one thing, but the actual fact is, it's going to be both. When television came along, there was going to be no radio. Is there radio? There's radio. When the VCR came along, would there be no more movies in movie theaters? There were. And so, it's a matter of integrating those things into what our lives are. Certain kinds of content are more conducive, and over time, as especially the graphic elements increase, and the ability to be faithful to what the book is in its design, as he was talking about at the end with technological advances, more and more people will be able to buy a wider range of things as eBooks, but they will still purchase print books. So, for us, it's selling both of those,

whichever format people want, or multiple formats.

Q: I write about books and book reviews and so forth, and one of the things that a lot of people have questioned me about is, what is the future of book collecting?

A: Maybe the value will go up? They'll become rarer.

Q: That's what I think, and that's what I'm hoping. I've got 350 or so signed first editions.

A: Or maybe for the next 10 years, people will think they're worthless and then they'll think they're incredibly valuable. As what's his name, he wrote the Benjamin Franklin biography, said, if we grew up with computers and someone invented the book, we'd be astonished. And other people have said that we're oddly going back--it's one of the rare examples of going back in technology, so that we went from the scroll to the folio and back to the scroll again.

Q: What I'm hoping is that my collection of first editions will finance my great granddaughter's college education.

A: Yes, I hope so too.

Q: What are the requirements to join indie, if we qualify, and become a partner in Google, and would we have to answer those questions?

A: You mean is there a mutually exclusive thing? No. But if you get your books and put them through the Google eBooks process and you have Google eBooks versions of your books, we're able to sell them.

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I mean, you're just spreading the availability of your books.

Q: I understand what you need to become a partner.

A: I mean, there were a number of programs talked about. The partner program is, you are a publisher and you have content and you want to get it into the searchable corpus and potentially make it eBooks sales as well. And that, there's an awful lot of the publishing partners and, following that link, you can get the details on that. The affiliate program, which is, you want to do the referral thing, that's days of work and days of approval. I talked a little bit about the technical details of the program, but this indie commerce makes it really viable for an independent bookstore to then be the actual seller of record on these contents. So there's a couple of programs there, depending upon how much effort and what type of experience you are trying to build.

There's also been an indie app that was introduced this year, so that all of the indie commerce websites make the adjustment to the mobile device, so people who have Android phones, for example, can actually--it appears on their phones in a slightly different format. It reformats automatically for their device to make it easier on their devices, which, of course, is a frustrating thing if you don't have that coordinated.

Q: I have two things. One's a question; the other is more of a comment. In the affiliate program, we have on our site all sorts of new books, and we link it to the Amazon affiliate program so that people who are interested in the book can then purchase it, and any other book. And that's really cool, except that we just

got a letter that if Governor Brown signs a bill that's going through the state legislature, they will no longer continue with the affiliate program in California. So what happens with Google? And with your store?

A: There was nothing in what Governor Brown did that made Amazon cancel its affiliate program. That was entirely Amazon's choice to do that or not do that. And so, that they chose to do it has made various people on the tech blogs wonder if it's because they feel like they may not need the affiliates anymore, because as an acquiring of e-mail addresses and things, that may work. I have no idea, that's something that I have read, I don't know if that's true. For all I know, they could be saying "I'm going to cancel the affiliates" and the affiliates will get mad at Governor Brown and they'll go after him. I have no idea as to why Amazon felt like they had to, because the actual law that was applying to them in June gave them nexus, or they would've had to collect sales tax on behalf of the state, whether they had affiliates are not.

Q: But the whole nexus issue is based on a Supreme Court case that goes back to the '70s, Quill vs. the State of Illinois and the nexus argument, of course, was the spitting point of the entire court case. So Amazon, from my understanding--I don't represent Amazon, but from my understanding and my reading of the legal perspective--they're looking to recreate themselves as closely as they can to the company who won the case back in 1974. It's called Quill, they were an office supply company, and part of that requires them in essence to pull their affiliates. Plus, the secondary issue, of course, if you read it is this is--as you just as stated--this is supposed to piss everybody off, and they're supposed

to go after Governor Brown and say, "Hey, make an exception for Amazon." But nexus is an issue, it's been around, it's almost 40 years now, and the governor's a great guy, but he's trying to fly in the face of the Supreme Court ruling, and I think Amazon's positioning themselves to say, "Look, we're identical to this, and we're prepared to take it back to the Supreme Court, and we're prepared to win it." And that's just from what I've heard.

A: Yet, I'll make one sentence on the Google affiliate program. We are expanding ours. So is indie commerce, actually.

Q: However, that got me very interested and excited, so while I was sitting here, I went to go download the Google app, the Google Books app, and I went into my app program on the iPhone, and I found that whatever version it is, it is crashing. And people are saying don't get this. And the other thing was that on the iPhone, it forces you to go to the website to get the--

A: We did launch a 1.2 version of the iOS app. If you are running a beta version of iOS beta five, it does have some bugs. Those are getting resolved like right now, so it affects a very small percentage of users who are running a beta version of the app, which normal people wouldn't have access to from Apple, and the 1.2 version of the app does remove the in-app store from the application, and that is due to Apple's restrictions of the e-commerce, everything flowing through iTunes. And you can still purchase on the web or whenever. It just removes a button from the app; it doesn't alter the purchase experience.

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Q: So she needs an Android system?

A: Well, that would be one answer! So, this is the advice I was telling you earlier, to make your books available through Google, as well as e-mail any kind of newsletter templates or ways of integrating it into these kinds of websites as a way of promoting your books as well as. Unbridled, for example, did a promotion in June that just burned up the lines. I think it was 50 books for 50 cents or something crazy for three days, and they just (explosion sound effect) on all of the indie commerce sites, but it was only on indie commerce. And so there are all of these kinds of promotions that publishers are doing now, because they recognize two things about indie sites. One is that there are dedicated customers to indie bookstores, and they are often the taste makers, and the bestseller breakers, and they are increasingly online. And publishers want to make sure that indie bookstores survive, that indie bookstores continue to be the showrooms for their print books as well as selling their eBooks. So they're investing a lot more in new models of working with indie bookstores, like this kind of bundling idea, like these kinds of special short-term discounts and things like that they can do. Then there's also what I said before about the QR codes, shelf stockers and belly bands and bookmarks and all those things that you might use as marketing materials that could have QR codes on them. So if you leave a little space for QR codes on them, we can--the individual bookstores, 300 or so and growing--include those in there.

Q: Just a very quick thing. When you say e-mail newsletter templates, does

that come then from Google, Google provides newsletter templates for--

A: That would be indie commerce. Bookweb.org is the name of the website, and there's basically three people there that you should contact if you have some kind of publisher promotion, like these things I've been talking about. Valerie handles most of those publishers and promotions things, but it's also mark@bookweb.org and meg@bookweb.org. They would be able to walk you through anything to do with those templates, promotional materials, and the use of QR codes.

Q: You had on the screen promotional material and belly bands with those QR codes. What about codes on the books themselves?

A: Well, the key thing about QR codes is that they are specific locators on your website. So we would put the QR code on a belly band. You could do it, or you could try and do it, and send it to your website, but we wouldn't be quite so happy with that in the sense that you would be driving--you would be using the belly band on an actual print book in our store to drive book traffic to your own personal website. There are QR codes that would locate your book on our website.

Q: What's a belly band?

A: Oh, have you ever seen a book that has a piece of paper that wraps around and folds on the inside and it will say something like "summer bestseller"? That's a belly band.

(Unintelligible question)

A: No, no, it's fine, all the same holds. You may not have as many resources as they do, but in some

ways the Internet becomes a sort of equalizer that way. You know, you can provide the eBook material to any of the above: Amazon, Barnes & Noble, indie commerce, Google books.

I'm definitely going to avoid getting beyond DRM. If anybody has any questions about that, please talk to Garth afterwards. We also have affiliates that we also sort of briefly spoke to. Those same people at Bookweb.org, you can contact them about getting indie bound affiliate connections to the same 300 websites or more and then, like I said, print and eBook bundles are--let's see, Algonquin is going to be the one that's going to do it, starting October 1. They're doing a print and eBook--you buy the print books and you get the eBook for free.

Anyways, thank you, and if you have any questions, I'm ready.

Q: All right, what is DRM?

A: DRM is digital rights management. It is what keeps a book, an eBook, tied to a particular service or device, and its publishers' concern--the publishers had the concern that the same thing would happen in the eBooks space that happened in the mp3 space. You know, there were vast amounts of piracy.

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Google (cont'd from page 16)

Yeah, DRM is a religious topic, and I think there is at least anecdotal information now that certainly some of the publishers have that--and they have it from their spoken-word books, that if they have them with DRM vs. without DRM, such that they really are pirateable, if they're without DRM, then they will sell more of the non-DRM version than they will of the DRM version. That, someday, in my opinion, not necessarily in Google's opinion, will migrate over into the eBooks space. But right now, the publishers insist upon some sort of DRM protection for their content. Whether that flows into the fullness of time, I don't know.

I don't know whether you or I made it clear at the beginning that the agency model turns the bookseller, whether it's Amazon or Diesel, into an agent, and the seller is actually the publisher. And so the publisher retains control of the price of its product. And there's been curiosity, legal questioning about it, that it ends up with a net increase in the price of the book, which is not actually the case. So what's happened since the time that the agency model kicked in? There's been a net reduction in the price of the eBooks nationally. So it's kind of the opposite of what some parties might say, but the statistics are actually that for the consumer it's a good thing and for the industry it's a good, stabilizing thing. I think it will survive any kind of legal challenge as well.

Q: When Google sent somebody here, several years ago, and he asked everybody to download their books, we participated. And we were supposedly going to get a percentage of everybody that looks at it. And we are part of the beta program, so

every month we can see how many thousand pages of our books have been looked at by readers around the world. That has translated into very little income. And now that you started selling eBooks, it's really difficult and it's still in the beta program to figure out what you're selling, where you're selling, and you go all over your page to try to figure out the--

So this would be on the portal for publishers?

Right, but what you're selling and what you're paying us for--is there any way to tell those people that they need to clean up their act? Because Amazon might screw us on selling old copies to everybody, but they're very easy to talk to.

A: Those are definitely folks that I know where they are, so I would be happy to (A) ask them internal questions and (B) pass along a mild bug or something. I don't specifically know that page, but I'd be happy to poke at it a little bit.

Any other questions? OK, well thank you very much.



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