

Subject: Re: The iBookstore six months after launch: One big failure
Date: Thu, 14 Oct 2010 08:31:54 -0700
From: "Eddy Cue" <cue@apple.com>
To: "Greg Joswiak" <joz@apple.com>
CC: "Phil Schiller" <schiller@apple.com>
Message-ID: <369AD55B-06F7-45A3-ACB6-8C9BE00D7F8D@apple.com>

I agree that we have failed with the book store. Our goal is to be the best. We are missing the largest publisher which is gapping hole. There is no answer in sight because Random House doesn't want to go agency and is bed with Amazon. Until we get them, we can't succeed.

The sales number quoted here are bullshit. We have 20% share of the overall market while Amazon has 65% share.

Sent from my iPad

On Oct 14, 2010, at 7:59 AM, Greg Joswiak <joz@apple.com> wrote:

<http://www.tuaw.com/2010/10/14/the-ibookstore-six-months-after-launch-one-big-failure/>

The iBookstore six months after launch: One big failure

Exhibit 9
Moerer
12/13/12

K. Schroeder
csr, rpr, ccrr

It's been over six months since the release of the iPad on April 3rd, and the simultaneous launch of iBooks and the iBookstore, which promised to give Amazon's Kindle and Kindle Store a run for its money. I figured that this would be a good time to see just how the iBookstore has progressed. The answer, in a word: poorly. Very poorly.

The Kindle store currently advertises that they have over 700,000 books, magazines and blogs available for download. Apple hasn't released statistics on the number of currently available books, so an accurate comparison isn't easy to make, but it's a safe bet to say that once you eliminate the ability to load .pdf files, the availability of eBooks from

the iBookstore pales. At launch it was reported the iBookstore contained somewhere between 46,000 and 60,000 titles. 30,000 of these came from the Project Gutenberg library of free out-of-copyright books, but since these are also available on the Kindle, we can reduce both sides of the equation by 30,000. This brings the number of titles at launch for the iBook to a generous 30,000. That's a big difference, but outside of raw numbers there are many factors constraining a massive increase in iBookstore sales.

As a long time Apple user, I'm used to convenience and simplicity, which for me means anything I'm interested in reading should be no more than a few clicks away. That didn't pan out for me in my recent experience. A few months ago I wanted to read Steig Larsson's Millenium Trilogy, made most famous by *The Girl with the Dragon Tattoo*. The iBookstore came up empty there, so I bought a set of the hardcovers from Amazon. After finishing that, I was interested in *Super Sad True Love Story* by Gary Shteyngart. Again the iBookstore came up empty, so once again I bought the hardcover from Amazon. The reason for this book's omission is it's a Random House imprint, and it's been widely reported that Apple and Random House couldn't come to terms on pricing. Random House didn't want to set prices, believing that to be a function of the vendor, so no Random House for the iBookstore.

But what about the Larsson books, published by Alfred A. Knopf? Random House is a large publisher that owns many imprints, and Knopf happens to be one of them. Others include (get ready for a long list): Ballantine Books, Bantam, Delacorte, Dell, Del Rey, Del Rey / Lucas Books, The Dial Press, The Modern Library, One World, Presidio Press, Random House Trade Group, Random House Trade Paperbacks, Spectra Spiegel & Grau, Villard Books, Fodor's Travel, Living Language, Prima Games, Princeton Review, RH Puzzles & Games, RH

Reference Publishing, Sylvan Learning, Alfred A. Knopf, Anchor Books, Doubleday, Everyman's Library, Nan A. Talese, Pantheon Books, Schocken Books and Vintage. None of these imprints are available in the iBookstore; so much for buying the *Millenium Trilogy*.

According to Random House CEO [Markus Dohle](#), this hasn't hurt Random House a bit. Currently eBook sales account for eight percent of total sales, and Dohle expects that number to jump to ten percent next year. But it has hurt the iBookstore, and in a big way. Unless Apple and Random House can make nice, there are a ton of books that won't be sold by Apple, and customer expectations of getting anything they want, when they want it, fade away.

The problems run deeper; the iBookstore is full of holes. I enjoy reading the satire of [P.J. O'Rourke](#) and took a look at how the iBookstore compared with the Kindle Store. I found that Amazon offers 13 books, while Apple sells only six. A search for books by [Stephen Fry](#) showed Amazon selling six titles, while Apple sold only two. If you're interested in reading the [Codex Alera](#) series by [Jim Butcher](#), you'll find the first two books in the series, *Furies of Calderon* and *Academ's Fury*, are not in the iBookstore, but the last four books are. [Amazon sells all six for the Kindle](#).

I did a search of the [New York Times](#) Best Seller List from last Sunday and found that three of the hardcover fiction titles and three non-fiction titles were missing from the iBookstore. Amazon had all of them except for *Earth (The Book)*, which has no electronic version. For what was available most of the prices were the same, but sometimes Apple came out more expensive while Amazon never did. *The Grand Design* by [Steven Hawking](#) and [Leonard Mlodinow](#) was US\$3.25 less on Amazon; *Crimes Against Liberty* by [David Limbaugh](#) and *Growing Up Laughing* by

Marlo Thomas were both US\$3.00 less than on the iBookstore.

In August, Cult of Mac reported that author Joe Konrath was selling 200 books a day for the Kindle and only 100 per *month* on the iBookstore. This is a 60 to one difference and certainly didn't bode well for Apple. More recent figures from applethoughts.com show that although Konrath sold over 70,000 books for the Kindle, his iBookstore sales only amounted to about 400 -- and Konrath blames the iBookstore. Applethoughts agrees, noting that unlike the Kindle Store, there is no recommendation system to discover new books, and the iBookstore is difficult to navigate. In fact, the only advantage the iBookstore does have is that purchasing is easier than Amazon's system, since buying is tied to your iTunes account.

Back in April, when I bought my iPad, I was leery at the idea of eBooks in general. I reviewed eight eBook readers for the iPhone in August of 2009, and although interesting and inviting, I never really enjoyed reading on such a small screen. As soon as I had iBooks, I gave it a try. I read two books and was surprisingly quite impressed. Although the physical joys of a real book, such as the feel, smell and all that great visceral stuff were missing, the niceties of the app, such as making notes, searching, resizing fonts (I have old eyes) and bookmarking really sold me. I was honestly looking forward to having my iPad become my main source for books, but I became disappointed at the lack of availability and prices of what I wanted to read. I would love it if the iBookstore really did for books what the iTunes Store has done for music, making it so I can get anything I want, anytime, at a fair price. But unless Apple takes some giant steps to fix the things that are broken with the iBookstore, it will continue to be a dismal failure.

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