

Subject: Fwd: publisher meeting notes
Date: Tue, 15 Dec 2009 20:36:01 -0800
From: Eddy Cue <cue@apple.com>
To: Kevin Saul <ksaul@apple.com>
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Begin forwarded message:

From: Keith Moerer <kmoerer@apple.com>
Date: December 15, 2009 6:45:15 PM EST
To: Eddy Cue <cue@apple.com>
Subject: publisher meeting notes

More similarities than differences in what we heard today. Had a couple of TV store fire drills to deal with so this isn't complete, but here's what I have so far.

Everyone said they have:

--good, rich metadata, which is delivered via Onix feeds. Publishers typically update metadata on a weekly basis, adding reviews, updating covers, price changes, etc.

--can send covers, illustrations, etc. in color

-- many categories currently underserved --especially cookbooks, travel, four-color kids' books

-- No one likes text-to-speech, especially that Amazon deployed without asking for permission.

-- No one loves Google settlement, but no one views Google as a particularly serious eBook commerce partner

-- Publishers typically offer entire first chapters as samples. This comes in advance with metadata except on embargoed titles.

--there are no ratings for books

--everyone asked about and is interested in doing bundles, especially for series

--everyone happy with level of sales reporting we can provide, which is better than Amazon.

Random House, in particular, was interested in market-share data.

--generally North American rights held by US publishers. UK publishers control UK, Australia, India. Europe is mostly an open territory, with US and UK publishers both able to sell there.

--everyone has done ebook apps, and will likely to continue doing some, but all agree that ebooks should live in dedicated store instead.

Hachette:

--Unhappy with \$9.99 price point, one of three major publishers to announce its intention to hold back ebooks at time of hardcover release (up to four months). Other two publishers are Simon & Schuster and HarperCollins

--Very open to the idea of window of exclusivity for higher priced new release content

-- 3k titles available as eBooks -- "all eBook appropriate titles", which means no cookbooks, travel books, 4-color kids' books

--very much focused on bestsellers,

--their content is delivered by third-party company based on Austin (also shared by two other major publishers)

-- their ebook licenses limit to five devices

RandomHouse:

--12k titles available as eBooks; adding another 10k in the first half of 2010

--doesn't like the \$9.99 price point, but doesn't want or support windowing. hasn't said so publicly.

-- only publisher to said that text-to-speech might cannibalize audiobook titles, especially authors such as David Sedaris

-- seemed very comfortable with Apple's current DRM

--wholesale is a 48% discount off print list price (no separate digital tier)

--Random House is taking a very aggressive approach to what eBook rights they believe they hold, claiming worldwide rights for 55% of their catalog

Penguin:

--10k titles available as ebooks

-- not happy about \$9.99 price point, but hasn't announced a position publicly. Clear from the CEO, though, that they don't view a \$9.99 eBook as sustainable model competing with much higher priced physical books

--20% of their sales come from new releases with wholesale prices above \$10

--seem OK with DRM as explained so far

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