

Random House agrees to e-sale model Apple requires

HILLEL ITALIE - Associated Press - Associated Press

Stieg Larsson's novels may finally be headed to the iBookstore.

Random House Inc., which publishes Larsson, Dan Brown and John Grisham, among others, announced Monday that it had agreed to use the "agency model" required to sell books through Apple's store. Users of iPads and other Apple devices have only been able to purchase Random House books through an app for Amazon.com's Kindle or for other e-devices.

"We are making this change both as an investment in the successful digital transition of our existing partners and in order to give us the opportunity to forge new retail relationships," Random House said in a statement.

Random House had been the last holdout among the six top New York publishers to accept the new system, which gives publishers more control over the cost of e-books. They would sell for \$12.99 to \$14.99 when first released and prices would change over time. Random House had previously refrained, saying booksellers, not publishers, should set the final price. Industry observers had noted that under the previous system, publishers retained a greater share of the revenues.

Under the old model, Amazon.com had been offering best-selling e-books for \$9.99 or less, a cost that publishers said was too low and could harm the value of all books.

Random House spokesman Stuart Applebaum would not say whether the publisher would be signing on with Apple, although the announcement does cite "the opportunity to forge new retail relationships." Applebaum said the decision came after "extensive conversations with a broad range of booksellers" and that it was looking to "support our retailers' digital growth as well as our own."

The announcement comes as e-sales keep growing, to what several publishers say is 10 percent of the market, and physical store space declines with the recent bankruptcy filing of the Borders chain, which expects to close at least 200 superstores.

Random House's decision was good news for Apple, which has been trying to break Amazon's domination of the e-book market, and was welcomed by the independent bookstores' trade organization, the American Booksellers Association. Independent sellers were slow to break into the e-business, but many have signed on through Google's new online store.

"We have believed from the beginning that the agency model is in the best interest

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Published on Electronic Component News (<http://www.ecnmag.com>)

of not only the book industry, but the consuming public as well," the ABA's chief executive officer, Oren Teicher, said in a statement.

Source URL (retrieved on 12/28/2014 - 10:28am):

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