Getting Out Of a Bind

Publishers are testing multichannel delivery to offer readers more choices

BY TOM LOWRY

AT THE TINY TOME ON the Range bookstore in Las Vegas, N.M., nothing gets manager Jillian Rael more steamed than when customers tell her they won't wait a week for a book to arrive on order. They would rather drive the hour or so to Santa Fe to buy it sooner at a chain store. The 10-year-old Tome's location in the foothills of the Sangre de Cristo Mountains makes it tough to restock quickly. On top of that, to fill orders, Rael says she often has to buy more books than she needs to meet publishers' quotas, only to send them back. "The system is pretty darn inefficient," fumes Rael. "It hurts us and the customers."

Now the two-decade-old concept of just-in-time inventory is catching up to the antiquated book biz. A new scheme set to be announced in early April, dubbed the Caravan Project, calls for books to be delivered simultaneously in five formats—hardcover, digital, audio, print-on-demand, and by chapter. The initiative is the brainchild of Peter Osnos, a publishing veteran and founder of nonfiction imprint PublicAffairs. He figures that publishing's ancient habits are holding it back, keeping it "some sort of relic to Gutenberg." Following the lead of Hollywood mavericks such as billionaire producer and theater owner Mark Cuban, who advocates releasing movies on the same day to theaters, on DVDs, and to TV, Osnos argues that readers should be able to read books when and how they

want. By creating a menu of choices for consumers (table), the industry could go a long way toward making the distribution of its books more cost-efficient. "The technology is here," says Osnos, 62, a onetime foreign correspondent at *The Washington Post*. "We just needed a coherent approach. We have one now."

NAPSTER NIGHTMARES

SIX NONPROFIT publishers (three are university presses), No. 2 retailer Borders Group, a few independent bookstores (not Tome on the Range, however), and publishing wholesale powerhouse Ingram Industries are participating in Caravan. The first step: Publish 24 books initially across the five formats in early 2007. Funded by a $250,000 MacArthur Foundation grant, the project is relatively small, Osnos admits. "But we don't have to be big," he adds. "We just have to show that this model is irresistible to everyone in the chain—to authors, publishers, and booksellers. We can't continue to print 10 books to sell 6." Adds Tom Dwyer, director for adult trade books at Borders: "We never want to underestimate the public's desire for information and choices. This lets us put our foot in the water."

But talk of going this far this fast unnerves publishers. Publishing giants such as Random House and HarperCollins Publishers already feel huge pressure to sell digital versions of their books, especially from Google and Yahoo!, which want to deliver books the same way. They argue they are moving in the right direction. Audio books, while expensive to produce, have been around for years, they say, and the quality of print-on-demand books has improved. Just the same, "they are terrified of being Napsterized," says Al Greco, senior researcher for the nonprofit trade outfit Book Industry Study Group.

Books: How Do You Want Them?

A new business plan calls for books to be delivered simultaneously in five formats. Here is the menu:

HARDCOVER The tried and true. Readers have been doing it this way for 600 years.

DIGITAL For sale online and for e-book readers.

AUDIO New software enables text to be converted to a simulated voice, lowering production costs and allowing for more audio books.

PRINT-ON-DEMAND A store doesn't have your favorite best-seller on its shelves? No problem. Go to the clerk and have it printed out from kiosks that will eventually be on the premises.

PIECEMEAL Allows you to buy chapters or portions of the book, either by print-on-demand or online.

Data: The Caravan Project