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Deeper Understanding

Osnos's Next Project: Distribution Solution

Now that Peter Osnos is stepping down as publisher of PublicAffairs (but not as an editor), he plans to use some of his spare time in an endeavor that could be more challenging than founding a house specializing in thoughtful nonfiction. He intends to study and come up with a plan to tackle one of the book world's big problems: distribution.

"Books may be the only serious form of information in limited distribution," he said recently in an interview on the subject with *Shelf Awareness*. "I want to help solve the problem of getting more books to people in ways that satisfy the urge to read without saddling us with heavy costs of distribution and returns."

The traditionally wasteful book distribution system is getting worse and particularly hurts publishers like PublicAffairs, Osnos said. "On average, returns of hardcover nonfiction are twice what they were when I came into the industry 20 years ago."

The root of the problem, by Osnos's reckoning, is that book distribution has changed little in centuries. "Most books are still sold the way they were 300 years ago: from kiosks," he said. "If you exclude Amazon, which is still just 10%-12% of the market, about 85% of books are sold to people who get up out of a chair and make a trip to a kiosk to buy a book, whether the kiosk is a superstore or Wal-Mart or other retail outlet. This works well for a mass market title that is widely available like Harry Potter or Grisham or Dan Brown. But it's less well designed for a smaller but extensive audience interested in other types of books."

Too often, Osnos argued, supply and demand are out of whack. "Our books are more visible than available," he lamented, mentioning a recent PublicAffairs title that was reviewed and written about "effusively" in the *New York Times*, *Wall Street Journal* and the *New Yorker*. The author received national radio attention, too, but the book was not readily available.

In another case, the *New York Times Book Review* had a "beautiful" review for one PublicAffairs book, but "to find the book in a bookstore after the review would have taken an act of immense will," Osnos said grimly.

Sometimes a bookseller can sell the customer another book, but because there are "so many other options in life" these days, "people don't have patience" and give up the hunt, Osnos said. "How frustrating is it to go to a store and hear that a book you want is not in stock?"

"For books like the ones we publish at PublicAffairs, I know the genuine audience is 25%-35% bigger than sales," he continued. "There's an audience still out there. Our books are to books as NPR is to radio. NPR serves 25 million. Our books have the same template. We should reach more people."

Osnos doesn't blame booksellers for distribution problem. In fact, he praises many booksellers,

saying, "They have multiple role. They are an important community asset. They provide books, reading groups, signings. They offer the community a gathering place. They can be to books what Starbucks has turned out to be to coffee. The relationship can be 'the place I like to go.' "

Mentioning that he has talked with many booksellers over the years about distribution issues, Osnos said that their most pressing concerns lie elsewhere. "They're so busy keeping their stores alive. They don't worry about the book the way we publishers do because all new books can be returned. They're not paying for royalties and paper. Their biggest risk is the store and staff, not the book."

So in that immortal phrase, what is to be done?

"I want to look at ways books can be made more available using existing technology that is now underutilized," Osnos said. "I'm not interested in the hardware, but the process. There are at least four and possibly five ways that good books can be distributed either in partnership with retailers or direct from the publisher involving digital, audio, searchable and POD."

Osnos wants to "create a demonstration model, working with people who share the objective." He doesn't want to start a new business; it would be a nonprofit venture.

There is "a lot of stuff in the air," he went on, but for a variety of reasons, "they haven't been aggregated into a plan that university presses and other publishers like us might pursue. Each has some plan, but no one has time to think it through. Everyone is so busy, and in publishing there is little research and development capital."

The potential solution is close. He noted that publishers' files are digitized already. And, of course, much of the population is wired. Using himself as an example, he said, "I could print something that would look like a book on my computer at home," Osnos said. "I'd have to cut it but it could have a four-color jacket maybe." In a similar way, the many people with Blackberrys and Treos could have books sent to their devices, download them at home and print out 20 pages at a time to take with them to read anywhere they wanted.

He imagined a bookstore of the future with multiple "delivery systems," as it were. "What if every time a customer came in asking for a particular book, the bookseller could answer not 'no' or 'soon' but 'yes, now?' " he asked. Using POD or digital delivery, the customer "could take home a hardcover" or in several ways be able to read the book right away and "not leave dissatisfied," Osnos continued. "And the bookseller would get a commission on the sale price."

Osnos would like to "expand the platform as much as possible and not exclude anyone. If a retailer can make the sale, they should participate, but publishers should not be shy to do so either. The publishers should be the failsafe for a reader to get a book." In some cases, he added, it would make sense for publishers to use alternative channels. For example, he said, "the digitally transmitted book would be of great use for special interest Web sites.

"There is no single formula," he continued. But "whether we're publishing the most high-toned serious nonfiction or pop fluff, we all have the common urge to connect people with what you're doing. And publishing would be a much better business if we sold 25% more and had 25% fewer returns."