



"Reading in the Key of E: A Global Look at Digital Books"
presented at Miami Book Fair International 2011

with

Ami Greko, Kobo
Ana Maria Cabanellas, Argentine Publishers Association

recorded Sunday, November 20, 2011

for podcast release, Monday, November 28, 2011

KENNEALLY: As we look out at this audience here and think about a book fair, the question comes to mind, what do we mean by a book any more? And it's remarkable to me, as someone who's been involved in the publishing business for more than 20 years, just how fast change has finally come to this industry. And we have two people here who really can give us a global perspective what it's going to mean to you as a reader, how your reading habits are going to change because of the e-book and the e-reader revolution.

So just to tell you more about our two panelists, Ami Greko, to my left here, is Senior Vendor Relations Manager in the US for Kobo eBooks. She's also a founder of Book Camp New York City, an un-conference for publishing types and readers, and she curates and hosts the Ignite-style lecture series 7x20x21. She also presents regularly on digital marketing, including at the Frankfurt Book Fair, the LA Times Book Festival, and New York University. You can follow her online on Twitter and on Tumblr as amiwithani. And in real life, if you want to find her, she's probably in a bookstore in Brooklyn.

And, Amy, welcome –

GREKO: Thanks, Chris. (laughter)

KENNEALLY: – welcome to Miami. A bit of a change from that bookstore in Brooklyn, but –

GREKO: (laughter) Yes.

KENNEALLY: – but certainly, as you can see, judging by the wonderful audience for the book fair, books are still very much a part of everyone's life, but there is great change coming. You've got something on the table with you to tell us about that. But for Kobo, change has come even this week, and so I think we should fill people



Beyond the Book

A podcast series on the business of writing and publishing

in and sort of answer the question why they should care. What was the news coming out of Kobo?

GREKO: Yeah, so when people ask me to sort of do the elevator pitch for what Kobo is, I say that we are an e-book retailer, so we sell e-books to consumers, similar to what Barnes & Noble or Amazon does, and we're also an e-reading platform, which means that people buy e-books from us, and then we also provide the platform on which they can read them. So we sell both an E Ink e-reader, and then we also sell a color tablet, and I'm happy to walk people through these a little bit later.

So we've been a startup, which means that we were making money by selling e-books, but got most of our money by funders and things like that. Earlier this week, a Japanese company called Rakuten purchased us for a giant chunk of change –

KENNEALLY: Three hundred and fifteen million dollars.

GREKO: That's right. (laughter)

KENNEALLY: I mean, I think it's important to point out, Ami, because that \$315 million from the largest e-tailer in Japan, sort of the Amazon of Japan, represents a tremendous investment, and people don't put hundreds of millions of dollars into something unless they expect a gigantic return.

GREKO: Absolutely, yeah.

KENNEALLY: And so this is no more just a fun toy, this is a serious business proposition.

GREKO: Yeah, you know what I think is interesting is, I work for Kobo mainly in the United States. Kobo was started in Toronto, so it's a Canadian company. We have outposts in several cities in Europe and Australia, and we're sort of adding to that as we go forward. And what I think the investment by Rakuten is is just saying, we see e-books as a global business. It's not restricted to the United States. We have a very complicated e-book ecosystem in the US, with competition from Amazon, from Apple, from Google, from Barnes & Noble. But elsewhere in the world, it's really a wide open playing field, and I think for a company like Rakuten, one of the top three e-commerce companies in the world, who wants to take on Amazon head-on, it's a really interesting investment. It means that they see e-books as a huge part of their ecosystem going forward.

KENNEALLY: Well, one of the things that I keep hitting the note on for audiences and people we talk to is that the publishing business is now a technology business.

GREKO: Absolutely.

KENNEALLY: And everybody has to understand it, not only the publishers, but the readers themselves. Tell us why that's important. How is technology going to change the way publishing gets done?

GREKO: Well, I think everyone's sort of heard about the way e-books are taking over the publishing ecosystem, and while I think there's always going to be a place for physical books, I think that some people will always prefer to read words on paper as opposed to words on a screen. We're moving forward, and more and more books are being digitized. In the past, I think we really saw a lot of sales in the areas of genre. We sold a lot of romance e-books, sold a lot of sci-fi/fantasy e-books, a lot of mystery, because they're very simple. It's just words on a page, it's very simple to make that look good on a black and gray screen. Where things were complicated are things like cookbooks, which are beautifully laid out, full color, things like comic books or graphic novels, again, the colors are very important, the layout is very important. And I think as we move forward, we're beginning to develop the tools that will allow us to sell those books a little bit better.

This is Kobo's latest reader. It's an Android tablet, so it's color. You can see things very brightly. You can lay out a page the same way that you would with a physical book. And I think, as we move forward with these devices, and as they get better and better, you'll see more of those books that traditionally couldn't be sold in e being able to be sold in e. So it's just sort of getting larger and larger as we go on.

KENNEALLY: Do you have some data for us about the e-book reader – I don't mean the reader, the device, I mean the reader in this audience here.

GREKO: Right, (laughter) the reader.

KENNEALLY: And I look out on this audience, it's a fairly diverse audience. Is it clustering around any particular group, or is it really across the spectrum as far as who are buying these readers, who are adopting e-books?

GREKO: Yeah, I think it's been interesting. So Kobo started two years ago. This December will be our three-year anniversary. And we've been following readers ever since. So we know who bought from us in the beginning, and we know who's buying from us now. The people who bought from us in the beginning were dipping their toes into the water. Maybe they were people who consumed a huge number of books and needed the discount that comes with digital books. But what we have now are the people who are real – who are readers, who buy a ton of books every month, and we're getting a better customer. So a lot of people come to us



Beyond the Book

A podcast series on the business of writing and publishing

through the E Ink device. What I think is fascinating, and what I think we're really learning as an e-book retailer, is that it's all about the device. It's getting the device into people's hands, and then they keep buying. So we're trying to open that up. We're trying to bring in more people. But we certainly see a better class of customer.

KENNEALLY: Well, I'm going to take an informal poll of the audience here and ask, how many people have some kind of an e-reader, whatever that may be - E Ink, tablet – well, we've got about 40 people here, and I'm seeing maybe about 15 hands. That seems about right. So that is – I'm betting that that would have been a far smaller number even a year ago, even six months ago.

GREKO: Absolutely. And I think if we parsed it for everyone and said, who has a smartphone, who has a computer at home, we would see 100% of the people who have a digital reader, because we do create readers for all of these platforms.

KENNEALLY: And I think that's a crucial point. Ana's going to tell us more about it from the Latin American perspective, but around the world – and you are a global company – people are reading these books, not simply on these reader devices – that's a primary, perhaps a principal way for the company – but people can consume books – and I love that word, consume books.

GREKO: (laughter) Consume content.

KENNEALLY: We used to read books, now we consume them. (laughter)

GREKO: Consume content. (laughter)

KENNEALLY: Along with our Coke and our fries, right? But people can read on any digital device. Could be a laptop, really.

GREKO: Absolutely. I think, when we talk about e-reading, one of Kobo's first missions was, how can we allow a person to purchase a book and read it wherever he or she wants? We don't want to limit people to one device. We don't want to limit people to reading on this one thing we've created. We want you to be able to read however you want, and that's been sort of a founding principle of ours, and I think is a way that e-reading can happen.

KENNEALLY: Kobo, the company's called Kobo, K-O-B-O. And as Ami mentioned, a Canadian company by birth, now a global company because of the purchase just this week by Rakuten, the Japanese retailer.

You know, the other thing about technology is that it's so driven by innovation. People in technology really only care about what's new, what's next. And



Beyond the Book

A podcast series on the business of writing and publishing

publishing has been something else besides that. It's been more, I don't want to say staid, but it certainly has kind of thought of itself with a longer vision. What's it like as a – you're working with booksellers, you're working with publishers. How is that turning out? Is it turning out to be a clash? Are people finding common ground? How would you say that?

GREKO: Yeah, I think people come to it from a lot of different places. There are publishers I work with who are so excited to get their products into digital because they see it as a way to reach a new market, and there are people who are more reluctant. One of the things that I've done, especially for the color reader, is work to make sure we acquire a lot of comics content, because that's – I'm a big fan of comics, and I wanted to make sure we had them. And that's been a really interesting experience, because that is a set of publishers who's very concerned with the way that their image is rendered. They're very concerned that their colors render the same way they do in the printed book. They're used to having full control over how these images look, and I think that's a good thing. So it's been a very interesting experience to say, what do we need to do to make you comfortable with this type of reading? So, yeah, people come at it from all different angles.

KENNEALLY: Well, and certainly at the Miami Book Fair there's been a growing presence over the years for people – call them self-publishers, call them independent publishers. If you're an author or a small group that wants to start publishing, how does Kobo work with those individuals or with those small organizations, and are they changing the business as well?

GREKO: Yeah, absolutely. We love working with small publishers, with self-publishers. I think it's an incredibly growing business, and I think it's really fascinating to see what people are doing. One of the advantages, I think, that a smaller publisher or a self-publisher has over the big six in New York, or a larger publisher, is that you can really figure out your audience, and you can begin to sell books straight into that audience with digital books. A lot of the bigger publishers we work for are only able to say, OK, you can sell this book in the US, but nowhere else, or you can sell this book world English but you can't sell it in Latin America, you can't sell it in Australia. So it's really fascinating, and I think if you're a smaller publisher, and you're able to really say, I'm happy to sell this book worldwide, you have a huge advantage over what we're seeing the big guys able to do.

KENNEALLY: Well, that's an important point, because this is a discussion about the global e-reading phenomenon, and I suppose for self-publishers, for the small publishers, recognizing that their audience has just been magnified tenfold is very important.



Beyond the Book

A podcast series on the business of writing and publishing

GREKO: Yeah, it's huge. There are so many ways to reach people all over the globe now, in a way that there wasn't just five years ago. So I think that's something to keep in mind as well. Your biggest fans might be somewhere you never thought they were going to buy your book.

KENNEALLY: Well, let's talk about what it means to the consumer, that person we used to call the reader. (laughter) Selling e-books is a far different experience than selling books, because the bookstore is not a physical bookstore. It's a virtual bookstore. They have a virtual shelf at home. What can you tell these readers here about how they should become more comfortable with that process, and maybe what they should be thinking about as they're starting to look around for e-books?

GREKO: Yeah, I think what we know as an e-book retailer is that people are incredibly price-sensitive when it comes to e-books, and I think that's a good thing. There are things that you can do with a physical book that you can't yet do with an e-book, and I think it's right to come into it and expect them to be somewhat less expensive than a physical book. What I also think people need to pay attention to is, just try it out. I talk to a lot of people still who say, I don't like e-reading, I don't think I would enjoy that. I like a physical book. And I think that's a completely fine and valid opinion, but I often find that people who say that haven't really tried digital reading, so I would urge everybody to get in there. Any e-book store has a huge selection of free books on hand at any given time, and these are books not only from smaller or self-publishers but from people whose names you may recognize, people trying to drum up attention for their new series. So I would encourage you, even if you don't go in and buy an E Ink reader – even though they are dirt cheap right now, and it's kind of crazy – you can try reading on your smartphone, you can try e-reading on your desktop, and just see what you think. I think there might be – there are some advantages to it that you may not have considered before.

KENNEALLY: Well, talk about the other aspect of digital devices, because not only are they going to download a book to you so you can read it, but many of these devices now can take your commentary, can link you to people, there's that whole social network part of it. We've all had book clubs, we've had friends we talk about books to. Tell us how this social network piece is also going to matter to the reader.

GREKO: Yeah, I'm just going to preface this by saying, this is usually when people grab their pitchforks and try to drive me off the stage. (laughter) So everything I – all of the social reading I'm going to talk about right now, I want to emphasize that it's all up to you, as the reader, to decide whether you want to enable this in your books or not. So Kobo really believes that we can make reading more social than it has been. We really believe that there's a strong advantage to the reader for being able to share their favorite passages from the book, being able to have conversations on the page as you're reading with your friends, while you're reading the books. But



Beyond the Book

A podcast series on the business of writing and publishing

we're also fully aware that this is maybe not everybody's cup of tea. So I'm going to talk a little bit about what you can do socially with e-books, but first I want to emphasize that you certainly don't have to, and you certainly can just read an e-book the same way you would a physical book.

But we do believe that there's a lot of excitement around how you can share parts of the book in a way that you couldn't before. So we allow people to link their Kobo accounts to their Facebook account and to their Twitter account, so people can share stuff that they're reading with their friends. We're not trying to create a new social network. We're not trying to force people to re-create a social network they have elsewhere. We're just allowing people to leverage their existing social graph to share stuff.

And what we've found is that people like to share quotes from books they're reading. They like to let people know when they've started a book. They like to let people know when they've finished a book. And we've found that there's an enormous amount of conversation happening on the Facebook page around that. So we sort of thought, that's interesting. People are talking about these books, they're talking about books in a way that they couldn't if they were sitting in their room. So we've enabled this thing that we call Kobo Pulse, which means that, as you're reading a book, you can comment on any section of the book – I loved this line, or this is a really beautiful description, or this book is about Tennessee, I live in Tennessee, it's just like that. And anyone else can read those comments. And you can actually have a whole conversation in the book as you're reading, which we think is a great way to have a book club with your friends who are maybe not down the street and able to come over. Maybe it's a great way, if you and your mom always used to trade books back and forth, as my mom and I did, it's a great way for us to be able to talk about these books as we're reading them, even though she's in Michigan and I'm in New York. So we think there's a lot of great stuff that can come out of social.

KENNEALLY: And I've seen a presentation about what Kobo can do as far as helping the reader know what they're reading. You really can tell people how many pages they've read, how many books by a certain author they've read – surprising features. Tell us a few –

GREKO: Yeah, we give everybody their reading stats, which is incredibly geeky, and super nerdy, and amazing. So you can – as you're reading on Kobo, every single week you can turn to your reading stats and see, oh, I turned 333 pages this week, but last week I turned 400, what's going on? Or you can see –

KENNEALLY: I'm slowing down, yeah.



Beyond the Book

A podcast series on the business of writing and publishing

GREKO: – yeah, exactly, what am I reading? Or you can see what time of day you’re reading, you can actually compare how quickly you’re reading to how quickly your friends are reading, or what books you guys are reading. So it’s just a way to add a level of gamification to books. I really like it because I read a lot, and I like to know what I’ve consumed, and I think what’s so interesting about this is that this is a thing that you can do with digital books that you can’t really do with physical books. This is a way that digital reading can be completely different from your physical reading, and provide you with advantages. And I think – my mom’s a teacher. I’m talking a lot about my mom; this is weird. But she’s a teacher of fifth graders, and for her, she thinks this is great, because to be able to turn little kids on to reading, and show them, yeah, you’re getting better, you’re reading faster every week, or set up competitions in that way is a really big advantage for her.

KENNEALLY: And I can think – I’ve always meant to read *Moby Dick* and just could never really take on the task. If I could see that I was making progress, that would

–

GREKO: Right, right, right, exactly. (laughter)

KENNEALLY: – that would be a wonderful thing, I think. What about turning that around? Do you ever make – I know some of the e-readers do – I don’t know whether it’s true with Kobo – do you make any of that information available to publishers, even in a kind of neutral way, so that they can tell – which they never could before – whether people, after they bought the book, whether they’re actually reading the book, and how much they’re reading?

GREKO: Yeah, we think this would be a really fascinating thing. We’ve talked a lot about, can we tell publishers where people stop reading their book. Did everybody buy the new John Grisham and stop reading after three chapters? That’s probably some really powerful, interesting information. And it’s fascinating to see how people respond to this. Some publishers really leap at the idea and say, yes, we’d love to get that data, we’d love to work with that, and there are some other publishers, usually the quite literary publishers, who say, oh my god, (laughter) do not share with us that information. We’re not interested at all. This doesn’t affect the way that we sell books, or produce books.

So I think it’s interesting. I think both approaches are very valid, but if I were a publisher, I’d be really interested to know, how quickly are people reading this book? Are they reading – is it a book in a series, and they read the first one at a rate of 50 pages a day, and they’re reading this one at a rate of 20 pages a day? That says something to me about pacing, and the way an author is growing or not growing. So, yeah, it’s a really interesting discussion point, I think.



Beyond the Book

A podcast series on the business of writing and publishing

KENNEALLY: And just even knowing where the readers are, and whether there are regional differences. People in Miami might be bigger fans of one particular author than the community in San Francisco or Boston.

GREKO: Yeah. And we always talk about – you probably hear this a lot, or know this, as readers, but the best way to sell a book is word of mouth. I buy books because my friends tell me that they're good, because my family tells me that they're good, maybe because a blogger or a book review says that it's good. But usually it's a person-to-person contact. So I think being able to see how a book is spreading, and see – someone started reading it in Florida, and all of a sudden we've had 40 sales in the last week, what's going on there, I think that stuff is really fascinating. And it's not the level – it's a level of granular data that we haven't had for book sales or for publicity in a very long time.

KENNEALLY: And let's take that, then, from beyond the United States to the rest of the world. As you mentioned, Kobo's been getting into the European market in a big way. You've got relationships with W.H. Smith in the UK, with Fnac in France. Any – it's still early days, but any indication of how e-readers and e-books are doing in markets outside the US? Any differences that are worth noting?

GREKO: Yeah, there are huge differences. The US has been the first to embrace e-reading in such a both-armed way, and we're seeing that other markets are a couple years behind, or maybe about six months behind, depending. So when we partner with a W.H. Smith in the UK, or we partner with a Fnac in France, we have a real big first mover advantage. There's not the competition that you see from Apple or from Google or from Amazon there usually. And I think that the lessons that we learn in the US market – be first to market, innovate with speed, have a huge catalog – we're able to really apply in other markets as well.

KENNEALLY: And are you able to price the readers at the same rather low point in other markets as you can in the US?

GREKO: Yeah, so Kobo has sort of a long and storied history with e-reader pricing. I don't know if you guys remember, but three years ago, the Kindle was \$400. It was really insanely expensive. And then Barnes & Noble got into it, and the Nook was really expensive too. I think it was like \$299 or something. So we came into the US market and said, we think there's a space here for an inexpensive reader. Let's price ours at \$149, and undercut everybody else. And that began the big e-reader pricing war. (laughter) So I think the philosophy in e-readers right now is, let's give away the razor to sell the blades. So if you guys are thinking about e-reading, if this is a holiday where you're considering it, e-readers are really inexpensive in the US right now, because everybody's trying to get you onto their system.



Beyond the Book

A podcast series on the business of writing and publishing

KENNEALLY: And, finally, let's take you back to the beginning and Rakuten. Are we going to start seeing that name in the US? Are they hoping to make inroads into the whole e-tail space beyond books through Kobo, and through the readers?

GREKO: You know, I think their main priority is really getting us into countries that we're not in right now. So as we've discussed, we have a great presence in Europe, we have a great presence in Australia, a great presence in North America. What Rakuten is really interested in is bringing us into Japan, which is a market we've never been in before. And they also have a very strong presence in Brazil, so we'll be moving into Brazil in the next six months as well. It's a really interesting time for us. We all sort of say, whoever can learn Portuguese first gets to take over Brazil. (laughter) So I'm learning, guys.

KENNEALLY: Well, I can start with bom dia and go from there. Well, Ami Greko, Senior Vendor Relations Manager in the US for Kobo, which will be kobo.com for anybody who wants to have a look. Ami, thanks so much.

I want to turn to Ana Cabanellas. Ana, welcome.

CABANELLAS: Thank you.

KENNEALLY: We should tell people you are a lawyer and a publisher in Argentina. Since 1989 you've had several honorary positions in the Argentine Publishers Association, where you were once president, and you've been Vice President and President of the Interamerican Publishers Group of the International Publishers Association, so you really do have a global perspective, and just arrived from Buenos Aires. So, welcome.

Let's talk about your reaction to what you've just heard from Ami. How much does this sound like something you're hearing from a distance in Latin America, or is it getting closer and closer?

CABANELLAS: Well, it's getting closer and closer, but we don't have all the facilities that you have here in United States. We don't have so many e-readers, e-readers don't have the same price they have here. Then, to download books, it's not as easy as it is to download books here, for example. You are here in this place, and you want to download a book from Amazon, you do it immediately. You can download a Kobo book in your Apple, in your iPad very easily. You cannot do that so easily in Argentina. Usually you need to download it in your computer, and from there you download it into your e-reader.

KENNEALLY: Right, so there's a gap there with the devices. But yet, the market is growing, you told me, and so you're seeing reading happening for the e-book world



right now on the older devices, while people are waiting to get the dedicated readers.

CABANELAS: Well, people are reading in the computer. They've been reading in the computer for many years now. And they are reading also in their telephones. But not so much as we would like, especially because people are looking for books in Spanish, and books in Spanish in e-format are not – they are not so many of them published yet.

KENNEALLY: Not yet, so that sounds like an opportunity there for somebody.

(laughter) And when we talk about Latin America, of course, it seems like a catch-all phrase, and I don't want to lump all these various countries together. They're all very different. Can you help us distinguish between the experience for Mexican readers, or Argentine or Chilean readers right now? Mexico being a bit more like the US experience, or what?

CABANELAS: Well, Mexico, it's nearer from United States, so people are traveling from one place to another, and they have a lot of facility to buy the e-readers. Nevertheless, I think that Argentina, it's doing very well with e-reading, because we have a very good place where to download books, and I think that's important. You need both things. You need a place where to get the books, the e-books, and you also need the e-reader. One goes with the other. If you don't have both of them, it's difficult.

Then you need to convince publishers. You don't need to convince authors. I think authors are easily convinced with this argument that we were hearing, and which is not an argument, it's a reality. They can be anywhere, and that's great for an author.

KENNEALLY: And especially, I would think, if you're – in the perspective of a smaller country, to be able – in the past you would have been, if you will, confined to the Argentine publishing community. Now, if you're a Spanish-speaking author, suddenly that book is available to everyone who speaks Spanish around the world.

CABANELAS: Certainly. It was very difficult to arrive with our books to Japan, for example. There were not – there is only one place where you find Spanish books, and it has only a space like this, like with five shelves. So the offer was very small, and there are lots of people now that live in Japan and that speak Spanish for different reasons. So for these people that are Spanish-speaking, being able to buy a book anywhere at any time, it's really great. No waiting list, no nothing.

KENNEALLY: Right, and the thing that complicates the matter, that, again, for an American audience, might be hard to understand – and perhaps you can briefly explain it to us – is the whole pricing of books is different in other countries than it



Beyond the Book

A podcast series on the business of writing and publishing

is in the United States. In many countries in Europe and in Latin America, the price of books is fixed by law, and this makes a big difference not only to print book publishing, but to e-book publishing too. Can you tell us about that?

CABANELAS: Yes. In fact, usually it's not fixed by law, but what it's fixed is that you can only have one price for one book. So you cannot change this price, according, for example, to distance. Argentina, it's a very long country, and the distance to send the books makes the books more expensive in the north or in the south than in Buenos Aires where most of the publishing is done. But you must have the same price for the book in all the country. And this same thing happens in Spain, and especially in France, where they are very, very conservative about this fixed price thing.

But what happens? For example, Spain and France consider that they have to keep the same price for the e-book, that they cannot change the price when it comes to e-books; while, for example, in Argentina, we have a different ISBN number, we consider it a different book, the same way we consider it is a different book the hardcover and the pocket. So we have a different price, and our prices are 30% lower than the price in the book shop.

KENNEALLY: Well, it's interesting, I had an opportunity to hear Len Riggio speak a couple of weeks ago. He's the chairman of Barnes & Noble, and he was addressing a publishers' conference right ahead of their announcement about a new Nook tablet, and so the timing was great. And Len Riggio's been in the book publishing business for something like 40 years, and remembered getting into the business because of the excitement that was generated by the paperback revolution. Suddenly books were being priced very differently, they were being made more accessible, and this concerned a lot of traditional publishers. But in his view, it expanded the market. Do you see the e-book revolution offering the same kind of opportunity to publishing in Latin America, or anywhere, for that matter?

CABANELAS: Oh, yes, I do see that, because in Latin America, at least at the moment, we have a – prices are very high for publishers for publishing a book. The paper has a different price than it has here in United States, so books are more expensive than here, but we have to sell them for a lower price. So the publishers are not getting a lot of money from publishing. And this is a big opportunity both for publishers and for authors, from my point of view, because, from my point of view, if you are a publisher, you have the opportunity of publishing an e-book for much less money. So at least me in my company, I'm talking with the authors and giving them the opportunity of publishing more books than I was publishing before. I was publishing like 100 books a year, and now we are going to publish another 100 books a year, at least, any book, new titles, books that will not be published on paper if they are not well sold in e-book.



Beyond the Book

A podcast series on the business of writing and publishing

KENNEALLY: Well, it's a great opportunity to test the market. So much of publishing is kind of close your eyes and cross your fingers and hope for the best. By going down that route, you'll be able to find out, as you say, what works well, and then perhaps make the choice to go to paper.

CABANELAS: We tried to do that with POD, print on demand, but print on demand in Latin America was very expensive, so we were not able to use this. But I thought that print on demand was like, oh, touching heaven (laughter) because, as a publisher, I'm always eager to publish new authors and to give them opportunities. But, naturally, it's my money that it's playing –

KENNEALLY: You're placing the bet, so to speak, on the – absolutely.

CABANELAS: Naturally. So you have to be careful.

KENNEALLY: Right. Well, you had some interesting thoughts about e-readers. We were talking before the problem, and you seem to have a preference for a Kindle-like device, or perhaps a Kobo-like device, over the iPad for a really specific reason that I think perhaps many readers in the room will understand. Tell us about that.

CABANELAS: I think that when you're reading the Kindle or in the white and black Kobo, you're really reading a book. When you get the iPad in your hands, you do too many things, and you get distracted. So if you get tired, you start playing, or you say, oh, I have to look at this mail, while, when you are on the Kindle, or you're just reading. So from my point of view, a Kindle or Kobo or the black and white that does only reading, it's much better.

KENNEALLY: You want that book experience, and –

CABANELAS: (laughter) From my point of view.

KENNEALLY: – we're getting applause from the audience here. So how many people kind of go with that? Who would rather just have the book experience? Who wants the iPad? Oh, we have a divided audience. (laughter) (multiple conversations; inaudible) Well, I mean – what I meant was the E Ink readers. Which do you prefer? Yeah? Well, it's divided. And the market's going to tell us eventually, and it may wind up that people will have a choice.

CABANELAS: I think that there is room for everything, no?

KENNEALLY: One of the concerns that I know you have, because of your work with the International Publishers' Association and with other organizations that I'm familiar with at Copyright Clearance Center, is piracy. And one of the things that has always, I think, held back publishing in the digital revolution is the fear that



Beyond the Book

A podcast series on the business of writing and publishing

once the book is out on the Web or online somewhere, that they're going to lose control of it, that the pirated copies are just going to run rampant and the business goes down the drain. How are Argentine or Latin American publishers confronting that challenge, and what do you think about that problem just in general?

CABANELAS: Look, I think that piracy, it's something that's up to publishers. I always thought that. Piracy on paper took place where the book wasn't. If the book is not there, someone does it for you. The same thing happens with digital. In Argentina, publishers have been sleeping, and haven't done e-books for a long time. So what happened? There were lots of CDs where you could buy 7000 titles for only \$20, and you put them in your computer, and you were able to read them in your computer at that time, and now you're able to download them in the e-readers. You can download those books from this CD in Nook or whatever you want. So I think that if the book is ready, and the price is a good price, people are not so eager to do piracy – because someone does the piracy, and the pirate doesn't do it if the book, it has a good price.

I remember that there was a dictionary written by my father that was sold in Latin America, and we only sold 2000 copies a year. Why? Because of piracy. So I decided to run against piracy by doing a cheaper copy of this book. I did 10,000 copies at one time, and I sold them for a cheaper price than the pirate was selling it. I wasn't earning money, but the pirate left, because he was not interested. The thing is that they only pirate bestsellers, books that they really know they are going to sell. They don't do any effort, they don't have to make the composition, the correction, anything. And they get a cheaper price.

KENNEALLY: Well, of the books that you're now publishing in both print and e form, we heard Ami tell us that originally it was the genre fiction that was the place where the early adopters were going for titles. In your publishing list, what are you finding is popular, and why do you think it's proven popular?

CABANELAS: Well, what I'm finding more popular are my legal books, books for lawyers, because the price of the books that lawyers use are very expensive. And usually the pupils will photocopy one chapter. But now what I see is that, as the price is much cheaper, they are buying the whole book, and I'm very glad, because that's the idea, no?

KENNEALLY: Right, that's a bonus to you, absolutely.

CABANELAS: That's the idea, that they get the whole book, and they are able to read not only one chapter, but everything.

KENNEALLY: Right, well, it's an old saw, but supposedly – I'm not a Chinese reader, so I can't verify it – but I've been told that the same character in Chinese for danger



Beyond the Book

A podcast series on the business of writing and publishing

is also the one for opportunity, and it sounds like that's what we've just been hearing about as far as the e-book world goes.

I want to thank Ana María Cabanellas and Ami Greko for a great early discussion.

(applause)

END OF FILE