

## Plot Change: Audiobook industry in flux as digital downloads start to overtake more-expensive CDs

By Allen Pierleoni - July 28, 2011

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SACRAMENTO, Calif. - Heard any good books lately?

If so, you probably fit the profile of the audiobook fan sketched from national research compiled by the Audio Publishers Association. The trade group represents 'the voice of the audiobook industry.'

If you're a regular listener, you're probably a passionate reader (15 titles in the past year) who uses audiobooks to squeeze more literature into your busy day. You're better-educated and wealthier than non-listeners, and you're a bit younger (median age of 48, compared with 51).



Your preferences in genres parallel those of print-book readers: mystery/thriller/suspense, best-sellers, general fiction and nonfiction.

The audiobooks arena is vast and complex, with a lengthy list of publishers and other invested companies producing, wholesaling, retailing, distributing and marketing audiobooks to a diverse, eager audience.

Not until the 1980s, though, did the publishing industry discover the profit potential of recording and marketing books to the public. Audiobooks first appeared on tape cassettes, and then moved to compact disc.

In recent years, the tech-savvy crowd of 18- to 24-year-olds has discovered audiobooks via digital downloads.

Digital editions pose a potential threat to the traditional audiobook industry, although CD audiobooks remain the backbone of the industry, partly because of sales to libraries.

About 10,000 audiobook titles were released last year (compared with 316,480 traditional print titles), and sales totaled about \$900million in 2009, the most recent year for which figures are available.

Yet 95 percent of published books never see the inside of a recording studio.

"Do you really want an audiobook of the latest math text?" said Janet Benson, vice president of audiobook retailer Audio Editions and outgoing president of the Audio Publishers Association.

Downloads account for more than 30 percent of all audiobook sales, according to the association.

The mobility and versatility of audiobooks are big pluses.

Commuters listen to audiobooks in their cars and on public transportation. Multitaskers can hear a best-seller while gardening, walking the dog, exercising or making dinner.

"I have a friend who swears she wouldn't have a clean house if she didn't have audiobooks," Benson said.

Then there's the sense of comfort that comes from listening to a trusted narrator read a story.

Word-of-mouth recommendations can cause a title to catch fire, but audiobooks aren't cheap.

New CD audiobooks average \$20 to \$45; while some CD sets based on books from A-list authors (such as Stephen King's *Under the Dome*) can reach \$80.

Even older or slower-moving titles on CD go for \$10 to \$15, making digital downloads look attractive at \$6 to \$20.

Because the cost of producing an audiobook starts at \$5,000 and can rapidly move into the tens of thousands, publishers want some assurance that, in the long run, they'll make a profit.

That's why most fiction audiobooks are made from titles by top-tier authors.

One of the major industry players is Audible.com, a subsidiary of Amazon.com that boasts 60,000 titles.

"Our members perceive Audible as an addictive habit and a service rather than the unit-based experience that books are," said senior editor Matthew Thornton.

By far the most pressing issue facing the industry is digital audiobooks, downloadable to devices from smart phones, tablets and home computers, Benson said.

"Digital audiobooks have opened a new world to customers who haven't approached (listening) through CDs," she said.

"While we welcome the growth, the challenge for audiobook publishers is how to make it work financially," she said. "When you're doing downloads, you're saving a little money by not having to ship the physical goods. But you're not saving money on the creation of the product. That's the problem."

Incoming Audio Publishers Association president Michele Cobb is vice president of sales and marketing for audiobook publisher-distributor AudioGO in North Kingstown, R.I.

She said the digital challenge for audio publishers is similar to what traditional publishers face with e-books and e-readers.

"Publishing in general is in flux as it moves from hard goods into the digital world," she said.

At the 20,000-circulation *AudioFile* magazine ([www.audiofilemagazine.com](http://www.audiofilemagazine.com)) - the *Publishers Weekly* of the audiobook industry - editor-founder Robin Whitten noted: "Audiobook usage is on an upswing because digital downloads are bringing a new audience and making it easier for existing fans to get more audiobooks at better prices.

"There is a shift going on, but whether (audiobook publishers) have a plan for it is sometimes not totally clear."

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