

independent

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What Did Lower Prices Do?

Charting the effects of experiments

To Deal with Disputes

Should your contract call for arbitration?

A Strategy for Enhanced E-Books Choosing titles and controlling costs

Email Blasts

Why and how they're useful tools

Making sense of sales figure mismatches

Sell where your competitors aren't active



Enhanced E-books:

Why, When, and How Much?

Barbara McAfee, the author of Full Voice.

Standing over six feet tall and gifted with a magnificent speaking and singing voice, Barbara McAfee usually lights up a room. Earlier in the day, she had led a session on the power of voice that won rave reviews. But now, she sat silently at the back, wondering whether she belonged.

The scene was a wooded retreat center outside of Baltimore in October 2010. I was leading a Digital Initiatives breakout session at the annual Berrett-Koehler (BK) Authors Retreat. For almost a decade, 40 to 60 BK authors have been meeting as kindred spirits to share best practices in writing, marketing, speaking, and consulting-and, more recently, to consider their author roles in the brave new world of digital publishing. This was Barbara's first BK retreat.

Before a group of 20 authors, I demonstrated our first enhanced e-book and companion app on the Apple iPad. We had produced them for the second edition of The Power of Purpose by Richard Leider, and they included videos, mini-self-assessments, and a community portal.

Almost all the veteran authors, many of whom had bestselling and multiple titles under their belts, expressed interest in having BK publish enhanced editions of their books as well. They were curiby David Marshall

ous about how BK would select which titles to develop next. I said we wanted to produce a mix of bestselling backlist titles, new titles by proven authors, and new titles by unproven authors.

Our primary criteria, I explained, were that the purchaser of the enhanced edition must easily perceive the promise of extra value with this edition compared to the text-only version to justify the higher price, and that the product must deliver on this promise.

While most books don't scream enhanced edition, some definitely do.

Then I made the casual remark that was music to Barbara's ears, because her book fell into the third and most risky category I had mentioned—new titles by unproven authors.

I told the group that her upcoming first book, Full Voice: The Art and Practice of Vocal Presence, was an obvious candidate for an enhanced edition. After all, the book's content was about voice. Any reader interested in the subject matter would immediately grasp the extra value of hearing and seeing the

author demonstrate the "full voice" instead of just reading words about it.

VALUE PROPOSITIONS AND PERCEPTIONS

I am a firm believer that nonfiction, adult-trade, enhanced e-books will find a thriving market in the years ahead, but that publishers need to be highly selective and ultraconservative in their production budgets and sales expectations in the early-adopter years so they can still turn a profit on low volume.

At Berrett-Koehler, we are producing only two or three enhanced e-books a year, drawing from 40 new titles, with a \$2,000 budget for each enhanced title. Barbara's book and a new title by one of our bestselling authors made the cut in 2011.

While most books don't scream enhanced edition, some definitely do. Full Voice is a case in point. A singer/ songwriter/coach, Barbara McAfee wrote it to help people improve their workplace and personal communications by discovering and optimizing five distinct voices.

Most people depend on just one voice to communicate a wide variety of messages, but Barbara argues that the best communicators use a full range of voices based on different situations. The text of the book is informative ▶

and engaging; she even gives celebrity examples for the five voices, such as James Earl Jones for the Earth voice, Bonnie Raitt for the Fire voice, Julia Child for the Water voice, Paul McCartney for the Metal voice, and The Beach Boys for the Air voice.

The book is much more powerful as an educational tool in the enhanced edition, which we released simultaneously with the paperback and text-only e-book versions of the book in October 2011. And our customers perceive the higher value.

Full Voice, Enhanced Edition includes two audios with songs supporting the content, and six videos with Barbara at the piano demonstrating breathing exercises and interactive lessons on how to master each voice. On the Apple iBookstore, we sell the text-only version for \$9.99 and the enhanced edition for \$13.99, but the enhanced version outsells the text-only version by four to one.

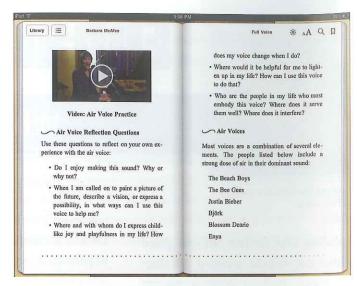
The purchaser of the enhanced edition must easily perceive the promise of extra value.

Industry reviewers also see the higher value. The Publishing Innovation Awards (PIA) organization awarded *Full Voice, Enhanced Edition* a Quality, Excellence, and Design (QED) distinction at Digital Book World in early 2011. And when I speak at book conferences, attendees get it, too. I show a video of Barbara channeling Julia Child; the audience laughs and sings along to learn the Water voice.

EXPENSES AND PAYOFFS

Although many publishers have soured on enhanced editions because of low market adoption and expensive production budgets, BK is bullish on this active-learning medium. Our books teach new lifelong learning ideas or skills, and as text moves to bits and bytes, it challenges the passive-learning model that counts on words alone to teach.

Adult education training studies have shown for years that most people retain only 10 percent of what they read after one year, but can recall up to 90 percent of what they read, see, hear, and do in combination. The implication is clear. If we can deliver the content of our books in an engaging hands-on



A look into the enhanced edition of Full Voice on the iPad.

format, readers will have a nine times greater chance of learning the material and therefore a nine times greater chance of applying it to their everyday lives.

That is a huge educational return on investment in activelearning titles over passive-learning titles.

On the expenditure side, the BK business model for enhanced e-books keeps design and production costs manageable. We view potential video, audio, animation, games, and other interactive elements of an enhanced e-book the same way we view a manuscript. It is the author's responsibility to bring these learning assets to us for consideration in an enhanced edition.

We sign a nonexclusive license to use specified assets in an enhanced edition, but the ownership stays with the authors or the original rights holders. We typically contribute \$1,000 to defray the video costs and another \$1,000 to create and produce the EPUB files. This means breakeven for our enhanced editions in the low hundreds of units instead of thousands.

LOOKING AHEAD

It is still a challenge to use a common production format and uniform distribution for enhanced e-books. Unlike our text-only e-books—which are distributed by more than 35 digital e-commerce partners around the world as standard EPUB or PDF files—our enhanced e-books are currently available only on the iBookstore for Apple mobile devices and via Barnes & Noble for the NOOK Color e-reader.

The more distribution channels we can utilize for selling our enhanced editions, the faster we can achieve breakeven and profitability. We hope to make our enhanced e-books available on the Amazon Kindle Fire and Android smartphones/ tablets soon. If we have to create different versions for various distributors based on proprietary requirements, that will slow us down. If all our e-distributors decide to use the new EPUB 3 format, that will help streamline our design, production, and distribution.

Meanwhile, Barbara McAfee has been wowing her fellow BK authors at events with her songs and lessons on how to use their full voices since her debut at the October 2010 retreat. Attendees regularly remark how wonderful it would be to somehow bottle up that talent and passion. Full Voice, Enhanced Edition is our first attempt to offer a virtual activelearning version of Barbara to the BK community, but it won't be our last.

David Marshall is vice president, editorial and digital, at Berrett-Koehler Publishers. To learn more: bkconnection.com.

