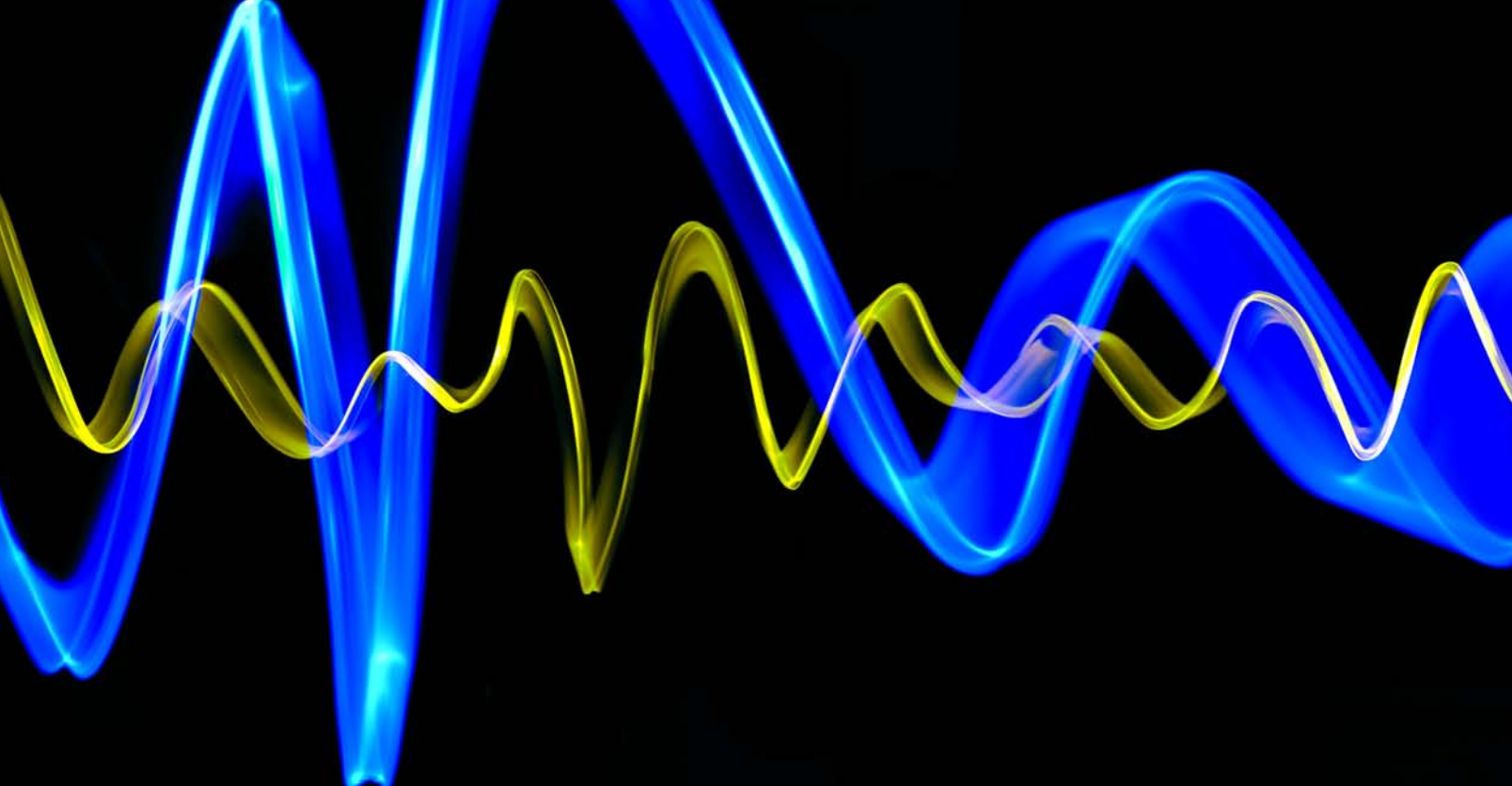




THE FUTURE OF FORMATS

FORMAT FACTS

From **AudioFile's** Format Survey: **52%** rate title selection top deciding factor **30%** say compatibility with portable



**With cassettes on the wane
and digital downloads taking off,
will the expanding universe
of audiobooks offer listeners
more—or less—choice?**

CALL IT IRONY, OR ROTTEN LUCK: Johanna Ruoff, who works for the Massachusetts Fishermen's Partnership, sat recently in a Gloucester, Mass., emergency room with a fish bone stuck in her throat. Her organization's treasurer had given her the havoc-causing haddock, which a co-worker had then cooked up for Ruoff's lunch. Now she was in pain, and because the ear, nose, and throat specialist couldn't get to the hospital for hours, she faced a long wait. But she wasn't exactly alone: "I got down off the gurney, took out my book on tape"—an Amanda Quick romance read by Barbara Rosenblat—"and listened all afternoon. It just took my mind off stuff I couldn't change—like listening to an old friend."

by Andrew Adam Newman

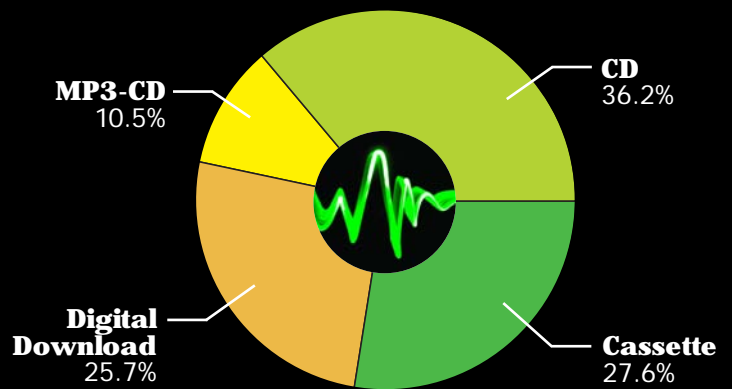


player important **10.5%** prefer MP3-CDs **53%** say primary listening location is car **26%** use digital download services

AUDIOFILE'S 2005 FORMAT SURVEY

Which audiobook format do you prefer? How does where you listen affect your choice? We asked these and other questions in a recent online survey (which also appeared in *AudioFile's* April/May issue). Listeners' answers and comments, as recorded through the end of May, show that convenience of use is a primary motivation behind format choice, and that listeners—while loyal to their current preferred format—are open to change. Our listener survey reflects the growing dominance of CDs over cassettes reported by the Audio Publishers Association, whose members say that 60 to 70 percent of current audiobook sales are on CD. Title choice is still the top priority of most listeners, suggesting that when more titles become available in a new format, listeners form new listening habits—such as the quarter of respondents who are opting for digital downloads now that Audible.com offers thousands of titles. Many would also consider switching formats if personal circumstances changed—for instance, getting a new vehicle or opting for a high-speed Internet connection.

WHAT: PREFERRED AUDIOBOOK FORMAT



WHY DO YOU PREFER YOUR FORMAT? The answers come down to equipment, convenience, and availability. Listeners base their format decisions on criteria such as what kind of players they have in their cars—older vehicles have cassette players; most new cars come with CD players only. Cassette devotees like tapes because they're familiar and you never lose your place, while users of digital players such as the iPod extol the ultimate portability of digital files. Listeners who depend on library borrowing for their audiobook listening must make do with whatever format their library offers. As more libraries offer downloadable audiobooks, patrons are bound to follow.

Yet there's something about audiobooks Ruoff is finding hard to swallow these days. She supports a two-unabridged-audiobooks-a-week habit, and she prefers to listen on cassette. But she and other cassette devotees are finding it harder to find new titles on their favorite format. More and more titles are released exclusively on CD, and, with the growing popularity of iPods and other digital players, some publishers and industry observers foresee that CDs themselves may become quaint artifacts. One day—sooner, perhaps, than you think—audiobooks might not exist as physical objects at all. You will either digitally download them or go without.

HOW FORMATS ARE SHIFTING

AudioFile's Format Preference Survey showed that nearly half of listeners surveyed do most of their listening in the car. If you're the 36 percent of respondents who prefer to listen

to books on CD, happy motoring; however, if you're one of the 27 percent, like Ruoff, who prefer cassettes, you're in for a bumpy ride. In 2004, the most recent year for which figures are available, just 29 percent of new cars had factory-installed cassette players, a precipitous drop from the 43.3 percent of the previous year, according to *Ward's Automotive Yearbook*.

Finding cassette boom boxes or portable players isn't easy either. While 10.8 million cassette (or cassette-radio combo) players were sold in 1999, in 2003, the last year for which figures are available, only 2 million were sold, according to the Consumer Electronics Association.

So, what's the attraction of cassettes,

which melt in the heat, snap in the cold, and hiss in the ear? For audiobook lovers, cassettes are still an elegant medium. Need to hear

a paragraph again? Rewind it for a few seconds rather than going back the several minutes or longer to where a CD's track began. Yet, the music-recording industry has all but killed cassettes. While cassette sales outnumbered CDs in 1991, in 2004 cassettes accounted for just over 1 percent of music sales, according to *Billboard* magazine. Now the audiobook industry is

moving away from cassettes, too, albeit cautiously. According to the Audio Publishers Association, as recently as 2002, cassettes accounted

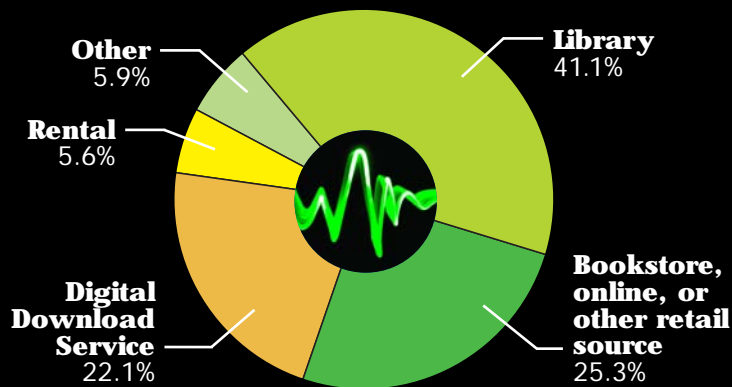
"We just believe in presenting all of the available formats and letting the end user make the choice. We're not doing anything to phase out cassettes."

*—Chris Benson,
Audio Editions*

FORMAT FACTS

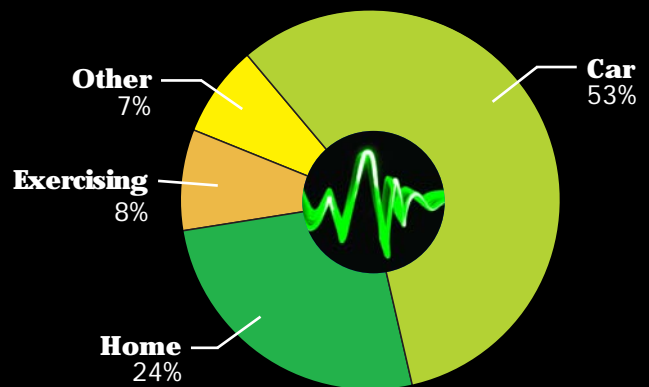
36% prefer CDs **30%** might change format if offered by library **62%** not likely to change format soon **24%** listen mainly

WHERE: AUDIOBOOK SOURCES



WHEREVER THEY GET THEIR AUDIOBOOKS, fans want good listening most of all: “My top priorities for audiobooks are incredible story and fabulous narrator,” said one. Yet, 68 percent also said that price was either “important,” “very important,” or “most important”—which may be why more than 40 percent borrow audiobooks from their local libraries. In addition to borrowing from libraries, those who answered “other” are borrowing audiobooks from friends or seeking bargains—and out of print titles—from used book dealers and sources such as eBay.

WHEN: PRIMARY LISTENING LOCATION



LISTENERS ARE ON THE MOVE: 53 percent say that their primary listening location is the car (or other transportation, e.g., train, bus, ferry, plane, etc.). But when they’re not on their way from point A to point B? Nearly one quarter listen primarily while at home, 8 percent while exercising, and another 7 percent find other locations or situations. Several say they can listen while they work (lucky!), and doctors’ offices are another favorite venue. Quite a few listen while gardening or doing yard work. “Pulling weeds goes faster with a mystery—Rex Stout especially,” says one. Orchid fancier Nero Wolfe would no doubt approve.

for 65 percent of the industry’s sales, but today, publishers are reporting 60–70 percent of their sales in the CD format, with some no longer releasing titles on tape. Not only are more people listening to CDs in their cars, but CD players are growing more sophisticated and now resume playing at the spot where they were turned off. And newer audiobook CDs are now formatted to simplify navigation.

While bricks-and-mortar chains Borders and Barnes & Noble are giving scant shelf space to cassettes, at least one online bookseller remains bullish. “Cassettes are becoming one of our specialties,” says Chris Benson, vice president of Audio Editions. “Being an

Internet source and a catalog store we don’t have to worry about shelf space. We just believe in presenting all of the available formats and letting the end user make the choice. We’re not doing anything to phase out cassettes the way the booksellers are and even some publishers are.”

“It’ll probably be a totally download industry before too long and that solves the problem of not being able to find enough audiobooks in the stores.”
—Eileen Hutton, Brilliance Audio

Among those phasing out cassettes is Listen & Live Audio, which ceased releasing titles on cassette last fall. The company’s publisher, Alisa Weberman, hasn’t looked back. Has she heard complaints from customers partial to cassettes? “We’ve actually had the opposite,” Weberman says. “People are ordering from our backlist and they want it on CD, and it’s only available

on cassette.” The company’s starting to release its backlist titles on CD, but the task is far from complete, she says.

Time Warner AudioBooks Vice President Maja Thomas is ready to dance on the grave of the cassette. “We said cassettes would be gone in five years—about five years ago,” says Thomas. “We keep hoping the cassette will fade away, because it’s a pain to have four different formats—abridged and unabridged, in both cassette and CD—for every title,” she says. Along with other publishers, Time Warner reports higher returns of unsold cassettes—compared to CDs—from retailers. While books on cassette generally retail for less than those on CD, Time Warner has instituted an “even pricing” scheme to blunt that edge. “We brought the CD price down and the cassette price up. So, if you have a choice between the two, now there’s no price differential.”

Continues on next page

at home **28%** say bookmarking capability important **41%** borrow audiobooks from libraries **28%** say compatibility with

SLIPPED DISC: THE MP3-CD'S UNCERTAIN FUTURE

It's a feat of compression, fitting the content of a dozen or more CDs onto one. Meet the MP3-CD: It's the format of the future—and probably always will be.

If the MP3-CD has an evangelist, it's Brilliance Audio's Eileen Hutton. Getting so much on one CD "allows us to keep the price down to about that of a hardcover book," Hutton says. The format represents 10 percent of the company's sales.

Many in the industry remain underwhelmed. The format's potential albatross: It looks like a CD but doesn't play in regular CD players. You can transfer it to your computer and burn it onto a dozen CDs that will play in your Walkman, though the cost of blank CDs negates some of the savings. They play only on computers and in MP3-CD players, and the best player for audiobookworms is the Soul MP3-CD Audiobook Player,

which is distributed by Brilliance and which also plays standard CDs. If you're listening to various CDs, the player remembers the places of the last 12 played. It retails for \$149, about the same as a decent digital player.

"If you think about all the competing formats that are out there already, it seems like you have to go out of your way to get an MP3-CD player," says Maja Thomas, a vice president at Time Warner AudioBooks, which doesn't release any titles on the format. "Is that the device that's going to be adopted? I just don't see it."

Library publishers Blackstone and BBC Audiobooks America do offer MP3-CD for a portion of their titles, but Recorded Books hasn't produced a single MP3-CD. "We just don't think anyone wants them," says Brian Downing, the company's publisher.—*Andrew Adam Newman*

THE DOWNLOADABLE TREND

From the point of view of Beth Anderson, vice president of Audible.com, people who think they're saving money buying cassettes are "pound wise and penny foolish." Take, for example, the unabridged recording of the twelfth title in Elizabeth Peters's Amelia Peabody series, *He Shall Thunder in the Sky*. Purchasing it directly from Recorded Books costs \$53.95. Downloading it from Audible to play on your MP3 player costs \$37.77; cheaper still if you become a subscriber—\$14.95 monthly gets you one book a month or \$21.95 gets you two. At that latter subscription level, the download would cost about \$11, considerably less than just renting from Recorded Books, which costs \$18.50.

Naturally, Audible is doing what it can to help would-be subscribers acquire

digital players. Full-year subscribers earn a free Creative MuVo MP3 player or up to \$100 off an iPod. And if you don't come to Audible, Audible may be coming to you, or at least to a library near you. The company contracts with about 100 libraries, offering not just downloads but the devices to play them. The King County Library System, which includes Seattle, instituted the program more than three years ago, and all 600 players barely return to the library before they get cued up with an audiobook for new borrowers, reports Bruce Schauer, an associate director. He recalls only "one or two people having trouble" with

the devices, so the program seems to be achieving one of Audible's broader goals: warming technophobes up to the devices, which prove no less complicated than the average ATM withdrawal.

Other companies have signed up even more libraries. OverDrive offers downloadable audiobooks to about 1,000; netLibrary, which works exclusively with Recorded Books, entered the audiobook market just four months ago and has already signed on more than 200. Borrowers go to their libraries' Web sites to download books onto their own computers, and the audiobooks are coded to self-destruct after 21 days or so; they can't be burned to CD. (Speaking of burned, iPod users are out of luck at libraries using OverDrive or netLibrary: both systems are Windows Media-based and therefore incompatible.)

Omaha Public Library subscribes to both netLibrary and OverDrive. Deputy Director Mary Griffin says at this juncture digital downloads aren't cannibalizing other formats but rather expanding the audiobook audience overall. As audiobook downloads in Omaha have grown, CD and cassette borrowing has also.

"Half of Audible's customers never listened to an audiobook before purchasing one," says Anderson of her company's retail site. "And once they've listened to a book on Audible, they may decide they want to buy it as a gift for someone else—so they go out and buy them the CD version."

Of course, publishers want to sell whatever will sell. "We'll provide audiobooks on any format—we sell intellectual property, not the media it's on," says Eileen Hutton, associate publisher of Brilliance Audio. Still, she sees new technologies reshaping the industry.

"I see the whole physical business going away, but I hate to prognosticate because we've been wrong so often."
—Maja Thomas,
Time Warner
AudioBooks

FORMAT FACTS

car player most important **28%** might change format if digital download prices lower **68%** say price important **26%** pre-

A ROUNDUP OF MP3 PLAYERS



Creative's MuVo TX FM



Creative's Zen Xtra



Apple's iPod



Apple's iPod Shuffle



Rio's Carbon



Rio's Forge

The digital audiobook listener is looking for a player that can navigate and manage a library of books with ease. Other important factors are storage capacity, weight, size, and aesthetics. For this feature, we considered more than 25 models before choosing six products—three hard drive players and three smaller-capacity flash-based players—from Apple, Rio, and Creative Labs, all leaders in the field. Each can be used to play audiobooks ripped from CDs as well as downloaded from Audible and, with the exception of the iPods, netLibrary and OverDrive.

Apple's iPod has dominated the market since it arrived on the scene in 2001, and its name has become almost synonymous with "MP3 player." The fourth-generation **iPod** (20GB \$300), with iPod's signature touch-sensitive scroll-wheel, boasts a battery life of 12 hours. Its support of Audible audiobooks is excellent, and it has a new speed control that allows you to listen to Audible programs faster or slower without changing the reader's

pitch. However, the iPod doesn't fully support some popular file formats such as Windows Media (WMA) and certain types of MP3, and it doesn't allow you to modify playlists on the fly. For those who want to carry a book or two, but not the whole library, the smaller flash-based **iPod Shuffle** (512MB \$99; 1GB \$150) is worth considering. Although conspicuously lacking any kind of display screen, the Shuffle is smaller than a pack of gum, and can be worn around your neck or carried as unobtrusively as a pen in the pocket.

The **Nomad Jukebox Zen Xtra** from Creative Labs has a bright display, easy file management, and convenient navigation controls on the side of the unit. Weighing 7.9 ounces and 1/2-inch larger all around than an iPod, the Zen Xtra is a bargain—dollars to gigabytes—in its various configurations, including 30GB (\$240) and 60GB (\$300). For a flash-based player, the **MuVo TX FM** provides a lot of function in a tiny, lightweight package (shorter and

stockier than the iPod Shuffle, it weighs 1.5 oz.). The MuVo has a display screen, can play MP3 and WMA files, and doubles as an FM radio, a voice recorder, and a portable memory drive (512MB \$120; 1GB \$150).

California-based Rio produced the world's first portable MP3 player (the Rio 300) in 1998, and its players were among the first to be Audible-ready. The **Carbon** (5GB) has a smaller hard drive than the other drive-based players mentioned here, but makes up for it by retailing at a lower price (\$200) and is half the weight (3.2 oz.) of other more powerful players. The flash-based **Forge** (512MB \$140) was built with athletes in mind: it is sturdy and durable, comes with a case that can be worn as an armband, and has an unusual round design that resembles a stopwatch. Included are a loaded display screen, FM radio, stopwatch, and lap-timer. By installing an optional expansion card, you can upgrade the Forge to 1.5GB. —*Steven E. Steinbock*

"I'm just seeing a faster and faster movement to no [hard] media. It'll probably be a totally download industry before too long and that solves the problem of not being able to find enough audiobooks in the stores."

Time Warner's Thomas also says, "I

see the whole physical business going away," and predicts we'll be listening to audiobooks on our cell phones within two years. Then she pauses. "But I hate to prognosticate because we've been wrong so often. We had the Jetsons, right? Aren't we supposed to have mov-

ing sidewalks and flying cars by now?"

It's even murkier inside Recorded Book Publisher Brian Downing's crystal ball. "I was one of the few people back in the '90s to say the Internet wouldn't catch on," he says. "So I stopped making predictions." 🌐



All listeners want ease of use. How do the newer formats compare to the tried-and-true audiocassette? Here's what you need to know about the choices—now and for the future.

CASSETTES

Audiocassettes and portable players launched audiobooks as an alternate format for readers in the early 1970s. Once cassette players were standard in vehicles, audiobooks became part of the cultural mainstream.

PROS: Easy and dependable; automatic bookmarking—they stop and start where you leave off.

CONS: The music industry has abandoned the cassette format, and automakers offer players as a custom option or not at all.

THE FUTURE: Bookstores are not stocking new audiobooks on cassette, and publishers are offering fewer titles. The format isn't dead—yet—but it will be harder to find newer titles. Libraries have built huge cassette collections, and those will be available. Keep your current players working; new ones are getting hard to find.

CDs

Hardly perfect, but CDs are the norm for music and now the dominant format for audiobooks. Portable players are cheap, and CD players in new cars are standard.

PROS: Space-savers; best choice of title selection; audiobooks on CD can be transferred to newer digital players.

CONS: More expensive than cassettes and have less playing time. Bookmarking is only to tracks and varies by players and by publisher.

THE FUTURE: CDs are currently the format of choice for publishers, both for new titles and reissues of older titles. CD packages showcase titles well and allow the familiar browsing experience. CDs will continue to be the top format while other technologies evolve.

AUDIOFILE RECOMMENDS

The best bet for most listeners, for now and the near future, is CDs—because they can be played on multiple devices; more titles are available on CD; and you can buy, rent, or borrow them.

MP3-CDs

A nice compact technology that arrived a little late. Many portable CD players now play MP3-CDs as well as regular CDs, and new cars will arrive equipped for both.

PROS: Holds even long audiobooks on one or two discs. Physical, not virtual media, if you like your audios in tangible form.

CONS: Limited availability of titles. Only a few publishers currently publish in this format.

THE FUTURE: The compactness and the hard media make the format appealing, but the limited title selection limits the allure. However, there may be an expansion of MP3-CDs as the digital download format evolves.

DIGITAL DOWNLOADS

The format that Audible.com brought to listeners is now available from other retailers and resources. Downloadable listening comes in different file types—WMA, iTunes, and MP3.

PROS: Complete recordings from beginning to end with no moving parts. Very compact. Very portable. Once listeners "get" the technology, they often switch over completely. The corporate battles about file types will continue to limit one-source accessibility.

CONS: The technology seems daunting—but isn't. Listening in the car is not as easy as it should be and requires additional accessories. Fewer titles available than on CD.

THE FUTURE: There's plenty of work to be done, and players will need to evolve and access increase, but digital downloads are the future.