

Bookstores' relevance weens with e-readers

By Julie Bosman, New York Times

In March 2009, an eternity ago in Silicon Valley, a small team of engineers here was in a big hurry to rethink the future of books. Not the paper-and-ink books that have been around since the days of Gutenberg, the ones that the doomsayers proclaim – with glee or dread – will go the way of vinyl records.

No, the engineers were instead fixated on the forces that are upending the way books are published, sold, bought and read: e-books and e-readers. Working in secret, behind an unmarked door in a former bread bakery, they rushed to build a device that might capture the imagination of readers and maybe even save the book industry.

They had six months to do it.

Running this sprint was, of all companies, Barnes & Noble, the giant that helped put so many independent booksellers out of business and that now finds itself locked in the fight of its life. What its engineers dreamed up was the Nook, a relative e-reader latecomer that has nonetheless become the great e-hope of Barnes & Noble and, in fact, of many in the book business.

Several iterations later, the Nook and, by extension, Barnes & Noble, at times seem the only things standing between traditional book publishers and oblivion.

Inside the great publishing houses – grand names like Macmillan, Penguin and Random House – there is a sense of unease about the long-term fate of Barnes & Noble, the last major bookstore chain standing. First, the megastores squeezed out the small players. (Think of Tom Hanks's Fox & Sons Books

to Meg Ryan's Shop Around the Corner in the 1998 comedy, "You've Got Mail".) Then the chains themselves were gobbled up or driven under, as consumers turned to the Web. B. Dalton Bookseller and Crown Books are long gone. Borders collapsed last year.

No one expects Barnes & Noble to disappear overnight. The worry is that it might slowly wither as more readers embrace e-books. What if all those store shelves vanished, and Barnes & Noble became little more than a cafe and a digital connection point? Such fears came to the fore in early January, when the company projected that it would lose even more money this year than Wall Street had expected. Its share price promptly tumbled 17 percent that day.

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