

Booksellers call for probe of online book-price wars

October 22 2009, By Maria Halkias

The American Booksellers Association on Thursday asked the U.S. Justice Department to investigate online book-price wars underway by Amazon.com, Wal-Mart and Target.

In a letter from the 109-year-old trade organization representing independent booksellers, the ABA's board told antitrust officials that the discounted pre-sales of hardback bestsellers for \$9, "constitute illegal predatory pricing that is damaging to the book industry and harmful to consumers."

That cost is below what retailers pay to publishers, and by making books loss leaders, Amazon.com, Wal-Mart and Target "are devaluing the very concept of the book," the ABA said in the letter. "Authors and publishers, and ultimately consumers, stand to lose a great deal if this practice continues and/or grows" because it will force more independent bookstores to close and will stifle the sale of "brilliant first" novels for \$25.

The ABA said the new price wars were precipitated by Amazon.com's below-cost pricing of \$9.99 for digital editions of new hardcover [books](#) that are released simultaneously with the much higher-priced print editions. "We believe the loss-leader pricing of digital content also bears scrutiny," the letter said.

The letter also noted that while some may say lower prices will encourage more reading, "the reality is quite the opposite," the ABA

said. In the letter, the group quoted author John Grisham's agent, David Gernert: "If readers come to believe that the value of a new book is \$10, publishing as we know it is over. If you can buy Stephen King's new novel or John Grisham's 'Ford County' for \$10, why would you buy a brilliant first novel for \$25? I think we underestimate the effect to which extremely discounted best-sellers take the consumer's attention away from emerging writers."

The ABA board asked to be allowed to discuss the issues further with DOJ staffers in Washington.

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