

HarperCollins reaches deal to lower e-book prices

September 12 2012, by Hillel Italie

(AP)—A new and uncertain era of e-book prices has begun.

HarperCollins [Publishers](#) announced Tuesday that it has reached new price agreements with sellers that conform to a settlement with the Justice Department over [allegations](#) that five publishers and [Apple](#) colluded to set [prices](#) for [e-books](#). Such new works as Michael Chabon's "Telegraph Avenue" now can be purchased on Amazon.com for \$9.99, a price publishers and rival booksellers fear will give Amazon dominant control of the e-market.

Simon & Schuster and Hachette Book Group also settled, but as of Tuesday afternoon e-prices for such fall books from those publishers as Bob Woodward's "The Price of Politics" and Tom Wolfe's "Back to Blood" were selling for \$14.99. A spokesman for Simon & Schuster declined comment, while Hachette issued a statement saying it was "engaged in productive discussions with e-book distribution agents."

Apple and two other publishers, Penguin Group (USA) and Macmillan, declined to settle and a trial is expected next June.

The settlement was announced in April, when the [Justice Department](#) filed suit, and was approved last week by a federal judge in New York. The legal action stems from agreements reached between major publishers and Apple in 2010 that allowed publishers to set their own prices for e-books, an effort to counter Amazon's deep discounts of best sellers. Over the past two years, Amazon's e-share is widely believed to

have dropped from around 90 percent to around 60 percent, with Barnes & Noble.com's rising to 25 percent.

E-books are believed to comprise around 25-30 percent of total sales, exponentially higher than four to five years ago. But growth has slowed over the past year, and reasons cited vary from the higher prices charged under the Apple agreements to a general maturation of the e-market, with the most avid e-book readers already accounted for.

With no definitive resolution expected soon, publishers and booksellers face a complicated time of possible price wars or periods when books may become unavailable during the busy fall season, depending how quickly new agreements are signed. Barnes & Noble.com and other online retailers may feel pressure to cut their prices as deeply as Amazon.com. And Random House Inc., which agreed to a similar sales model as HarperCollins and others but is not involved in the legal action, may find itself charging several dollars more for popular e-books than its competitors charge

Prices for new HarperCollins books differed from seller to seller as of Tuesday afternoon. Chabon's "Telegraph Avenue" cost \$12.59 on Barnes & Noble's Nook and \$9.99 on Apple's iBookstore. Molly Ringwald's "When It Happens to You" was \$9.74 on Amazon, \$12.99 on Barnes & Noble and \$9.99 on Apple.

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