

Flash Research Assignment #7: Apple iTunes & App Store

The iTunes digital storefront provides access to one of the largest libraries of songs, movies, television shows, apps, and ebooks available to purchase. While services and features exist that allow for alternate options other than purchasing, such as renting for movies and iTunes Radio streaming for songs, the ebooks category lacks these options. By implementing a renting and borrowing service for ebooks (and audiobooks) on the iTunes platform, an option will be available for potential consumers interested in trying out various books instead of purchasing each one individually. Thus, this will provide an alternate revenue stream not originally possible.

The way this service would be delivered is dual-tiered, but very simple. At its basic level, every single ebook (and audiobook) available on iTunes would have an option to be rented instead of purchased, exactly as it is for movies. The price would be a fraction of the purchase cost, but would only remain in a user's library for a limited period of time before it would need to be "re-rented" or purchased. The other option would be very similar to how a library actually works, except that "membership" would require a fee depending on the desired borrowing period. For instance, users could pay a set annual or monthly fee to have unlimited access to all books available in the iTunes store.

From a business standpoint, there is no reason to *not* implement this service. Other competitors, such as Amazon, Scribd, and Oyster, already have an ebook subscription service in place, and Apple is currently missing an opportunity. The Apple brand name is very well-known and recognizable; its long history of success can easily be continued in the ebook realm, especially with over 170 million iPads sold, a device that is heavily marketed, dominating the tablet market, and is capable of reading ebooks. It would cost almost nothing to implement as the infrastructure already exists; it would simply give customers another option when purchasing books. If this type of service can work with movie rentals, and other companies are having success with their own ebook services, the success can be recreated in iTunes. For the subscription service, if Apple can charge \$7.99 or less a month, the service will undercut all three previously-mentioned competing services. Apple can soon be a dominating force in the ebook industry by implementing a borrowing and rental service with their own brand name.

Works Cited

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