Entrepreneurs tap into growing audio book market

Electronic bookmark among Ottawa company's innovations

Jeff Buckstein,
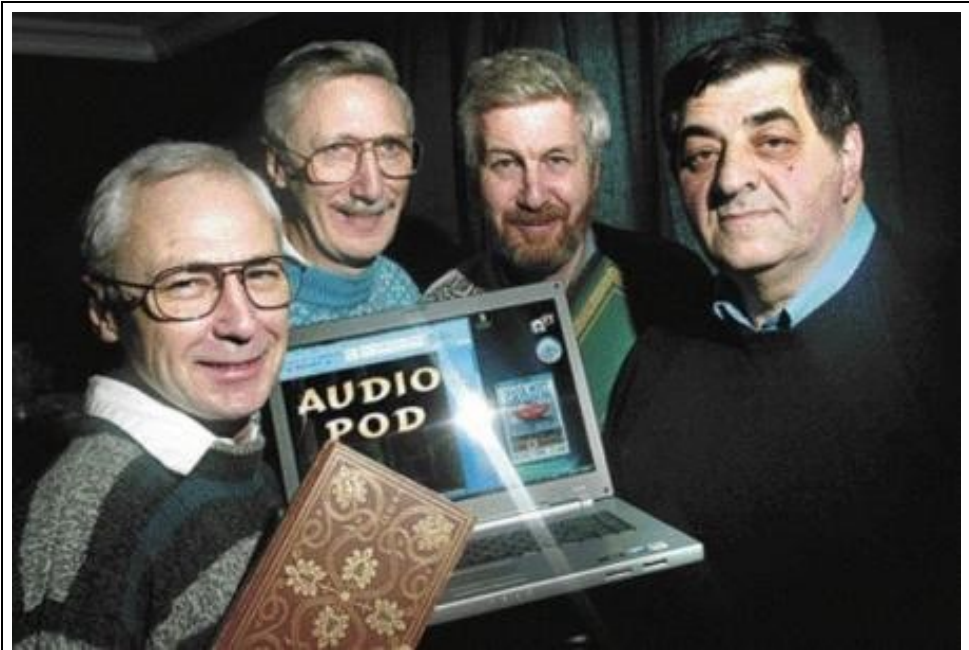*The Ottawa Citizen*
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Ten years ago John McCue began looking for a way to help his mother, Monica, continue her lifelong love affair with literature in spite of her failing eyesight.

Now Mr. McCue's Ottawa firm is ready to market innovative technology that allows users to easily listen to audio books and other spoken word streams on their laptop computers, portable PDAs, or any device that can play an MP3 file.

And as a bonus, the software program offers an electronic bookmark system that lets users stop listening and then return to the book exactly where they left off -- even on a different device.

From left, brothers John, Robert, Glenn McCue and Gregory Shostakovsky have created software called Audio Pod, which allows audio books to be enjoyed more easily through laptops, phones and other devices. (Credit: Bruno Schlumberger, The Ottawa Citizen)

That adaptability and ease of use are key signatures of the patent-pending technology offered by Audio Pod Inc., which Mr. McCue, its senior software architect, co-founded with Gregory Shostakovsky in 2006. Robert McCue and Glenn McCue, John's brothers, are also software architects with the firm.

The technology is "a significant software development that has taken a lot of hours of work" Mr. Shostakovsky claims proudly. "No one has even been close to anything like this."

Because Audio Pod is a pure software design, there is no need for the user to manually download, store and transfer audio content. There are no CDs to manage or files to transfer.

It taps into a hot market. According to the Audio Publishers Association, sales of audio books in 2006 in the U.S. alone were estimated at $923 million, up six per cent over 2005.

"What's wonderful about audio books is that as more people discover them (they) pass on the word and we continue to grow," says association president Michele Cobb, who is based in North Kingstown, Rhode Island.

This tremendous growth in popularity suits a busy society of time-pressed people who like to read books "and still be able to multi-task," she adds.

The entrepreneurs stress that no matter how large an audio file is, it is accessible in a fast, reliable manner using their technology, and can also easily be bookmarked and picked up again wherever and whenever the reader chooses.

Say, for example, you are in an airport departure lounge in a WiFi hotspot listening to a podcast or audio book of The Godfather, Mr. Shostakovsky says.

You push a button, the content starts playing and you listen for maybe 40 minutes. Then your flight is called and you may lose your

wireless Internet service while airborne.

But even without a wireless connection, Audio Pod's technology will allow you to pick up that story again on the plane exactly where you left off.

This is possible because Audio Pod's memory manager retains the content and is able to deliver it to the user seamlessly, even on a different device.

The technology is unique because it utilizes a digital virtual representation of the audio stream. This virtual approach eliminates the delays associated with mass downloads that could easily take eight to 10 hours for larger books, and it also eliminates the network dependence used by streaming technologies.

This is different than an optical reader, which is an e-book display device that a user must read in the same way that a paperback book is read. Instead, the Audio Pod provides audio as though an individual was listening to the radio.

The hardest part in developing this technology was devising a way to break up a media stream into a large number of manageable audio chunks that can then be played in perfect sequence. But the successful result provides users with a seamless audio experience for bookmarking and memory management in a way that allows the delivery of "many, many media streams through very small devices using limited network resources," says Mr. McCue.

He views this as an entirely new business model for the publishing industry.

Traditionally someone who wished to read a book either had to go out and buy it, receive it by mail or download it, but "the technology we have can also support a subscription model, whereby the customer could access the rights to a library -- one hundred, one thousand, five thousand books -- whatever it is," Mr. McCue explains.

"Then once a month, he pays his subscription fee and gets unlimited access to whatever content he wants without having to buy a specific book."

In fact, users can switch between several books contained on a central server without ever having to manually load or reload content.

Nor do they have to purchase specific hardware to use the software.

The technology can also be applied in the handheld messaging industry, replacing text-dominant messaging with voice, say the entrepreneurs. Attachments, such as photos, can be retained in context with the audio stream, providing multi-media messaging. Thus, content can also be passed electronically through e-mail, for instance, to another person who is able to enter the media stream in the exact same spot as the original user.

Users simply "drag and drop" an Audio Pod bookmark, which contains the information needed to find and play the media stream, to an e-mail message and send it off. No content is copied during this process. The receiving person can, in turn, drags and drops the bookmark to his player, and the audio book will play from that exact point.

Moreover, "you can do that without violating copyright because you're sending the bookmark rather than the content," says Mr. McCue.

"The bookmark doesn't point to the content. It points to the virtual media stream which is used to represent the actual content."

The entrepreneurs are examining various possibilities for their startup. Options include selling the technology as intellectual property, licensing it to larger media companies or seeking venture capital funding so the firm, until now self-funded, can extensively market and further develop its product.

One potential appeal to publishers is that they might be able to offer free content, with the caveat that users accept occasional advertisements on screen, similar to the approach used by Google.

This type of advertising could "generate sufficient revenue not only to pay for the content being delivered to the user," but also to generate "substantial profit," says Mr. McCue.

Audio Pod's technology has been demonstrated to audio book publishers in New York City, Los Angeles and Grand Haven, Michigan. The entrepreneurs are aiming initially at the United States market, but are open to providing audio book content in other countries, said Mr. Shostakovsky.

"It could be that somebody comes in and would like our technology to dictate in different languages," he says.

That would definitely be possible because "a bit's a bit and a byte's a byte. It can move spoken word content in any language in the world. And this technology has a global market reach."