

## Publishing Principles and Practice ACP 2079, Semester 2, 2014

### Lecture 9 – Distribution of Ebooks & Print Books

with Dr Euan Mitchell

Wednesday 17 September, 2014

24 Slides

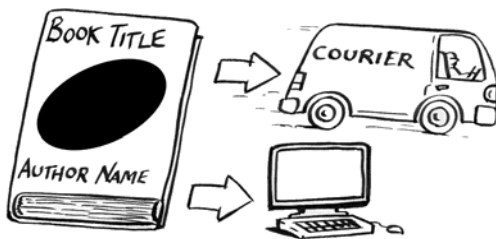
## Jason Epstein Article – download from Collaborate (week 9)

- This week there is more **extra reading**, beyond *Your Book Publishing Options*.
- In the week 9 area of Collaborate as well as the Unit Guide for Publishing Principles & Practice, there is an article written by **Jason Epstein** for you to download and read, called “**Goodbye to All That**”.
- Epstein is a legendary New York editor who, in this 2001 article, **has accurately predicted the future of book publishing**. His historically based reasoning is compelling.

## Key points in Epstein article, which you will be tested on in week 11

- How do “**returns**” inflate book prices?
- What does he say will eliminate the problem of returns?
- Which nation was infamous for ignoring copyright in the 19<sup>th</sup> century?
- How did authors like Charles Dickens respond?
- How did the migration of people from city centres to the suburbs after World War 2 affect the book retailing trade?
- Why do **book retailers in shopping malls** typically limit their **inventory** to prioritise bestsellers at the expense of an extensive **backlist**?

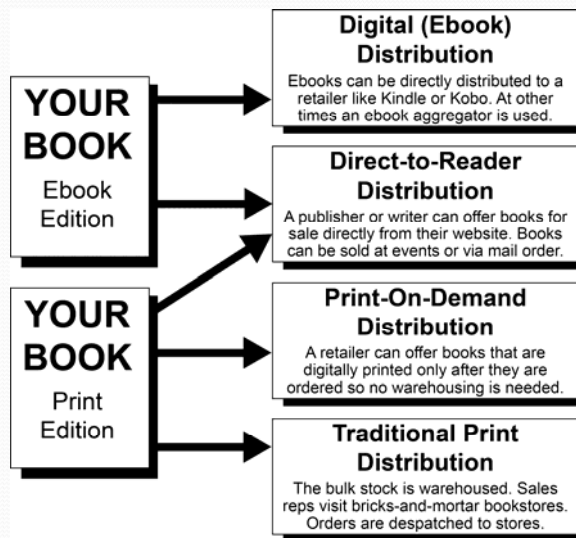
## Overall Goal for Option (Chapter) 8



- The overall goal for Option 8 is to send books to where readers can buy, browse or borrow.

- The majority of Australian non-educational books are still sold via bricks-and-mortar stores, but ebook sales are rising.
- Ebooks and print books can be borrowed from libraries.
- An author can directly sell a book from their website or via events such as a talk.

## Overview of Distributing Books



- Publishers coordinate the distribution of ebook and print editions to efficiently supply the actual demand.

- Further details about the book distribution process are supplied in the set text on pages 232-3.

## Bibliographic Catalogues

- When you ask for a book in a bricks-and-mortar store, the sales assistant will often look it up on a bibliographic catalogue on a computer. There are four main types:
  - **Level 1 Catalogue:** the store's own catalogue of current stock.
  - **Level 2 Catalogue:** the most popular catalogue in Australian bookstores is **TitlePage**, compiled by the Australian Publishers Association. <http://www.titlepage.com/>
  - **Level 3 Catalogues: Books in Print** (produced by Thorpe-Bowker, visit [thorpe.com.au](http://thorpe.com.au)) and/or **BookData** (produced by Nielsen, visit [nielsenbookdata.com.au](http://nielsenbookdata.com.au)).
  - **Level 4 Catalogue:** an internet search.
- N.B The catalogues are NOT actually called "Catalogue Level 1", "Catalogue Level 2", etc. These levels simply indicate the likely first type of search that a sales assistant might do, then the second type of search, etc.



## TitlePage – the most popular book catalogue in Australia [titlepage.com](http://titlepage.com)

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## Decision Tree 8A:

### Scenario 1 - Distribution for New Writers

#### Alternative 8A i) Limited print-on-demand copies

- Most personal book launches sell around 50 copies, generally to friends and family.

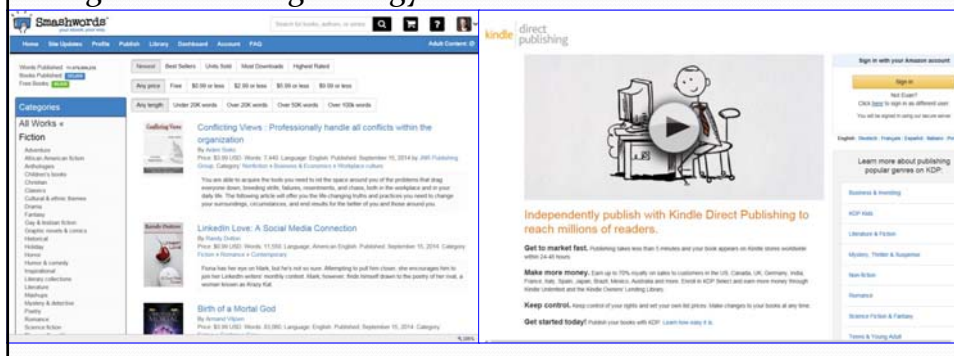
#### Alternative 8A ii) Zines/blogs/online communities

- A zine is a mini magazine or booklet, (say 'zeen') available from a specialty store like [Sticky Institute](#) below Flinders St Station.



### Alternative 8A iii) Ebooks

- A personal publisher who is not yet ready to launch their writing to the general public might also turn some of their short stories or articles into ebooks through [Smashwords](#) or [Kindle](#).
- The online marketplace is crowded with millions of other books – an easy place for a new story or book not to be noticed without a good marketing strategy.



### Alternative 8A iv) Emerging Writers' Festivals

- The annual Emerging Writers' Festival in Melbourne held at the end of May each year.
- <http://www.emergingwritersfestival.org.au/>



## Decision Tree 8B:

### Scenario 2 - Distribution for Corporates

#### **Alternative 8B i) Leveraging existing relationships and online presence**

- A one-person business or large corporation can successfully publish a book with little or no involvement in the mainstream retail book trade.
- Such a book might grow from the blogging efforts by a business and the relationships developed through their free exchanges of information, knowledge or entertainment.
- A series of publications can be developed and sold to existing and prospective clients.

#### **Alternative 8B ii) Lateral approaches to publishing**

- A human resources book that was launched at a series of well-attended lunches in three state capitals.
- A wine book promoted through tastings at retail cellars.
- A holiday cookbook promoted at barbecues in caravan parks at popular holiday destinations during summer.
- A fitness book to promote a new gym franchise.
- A rock band that sold copies of their guitarist's book, as well as CDs, at gigs.
- A hip inner-city bar that started its own community zine with regulars acting as contributors as well as subscribers.



### Alternative 8B iii) Print-on-demand copies

- Traditional bookstores are reluctant to stock books printed on demand, but this may not be a concern to a corporation.



### Alternative 8B iv) Ebook series or single publications

- The critical question for a business considering ebook offerings is whether to make a series available at a cheap price, say \$2.99 per ebooklet from Kindle, or a more substantial compilation costing in excess of \$20.

## Decision Tree 8C:

### Scenario 3 – Begin with an Ebook, Add on a Print Edition

#### Alternative 8C i) Specialist digital publishers

- A specialist digital publisher that will take care of the formatting, conversion and distribution of the ebook.



### Alternative 8C ii) Direct ebook publishing

- Selling an ebook directly from a website, will require e-commerce facilities so readers can buy directly.
- For many writers, **Kindle Direct Publishing** is the easiest way to launch an ebook and cover two-thirds of the global ebook market at the same time, earning up to **70% royalties**.
- **Smashwords** and **Lulu** are popular ways for writers to send their books to Apple, Kobo and the US ebook giant Barnes & Noble.
- Google's Book Partner program is another option for direct publishing.



### Alternative 8C iii) Publishing ebooks via an aggregator

- Aggregators worth considering are BookBaby, BookTango, Press Books, Vook and eBookIt!
- A good comparison of aggregators is under the 'Blog' menu of BWM books at [bwmbooks.com](http://www.bwmbooks.com), that was written in August 2012: 'Self-Publishing Platforms Compared':
- <http://www.bwmbooks.com/self-publishing-platforms-compared-kindle-direct-publishing-smashwords-lulu-booktango-ebookit-bookbaby-vook-pressbooks/>

### Alternative 8C iv) Print-on-demand services

- This alternative is similar to Alternative 8B iii) with perhaps the added indulgence of printing a handful of hardback versions for distribution to family and friends.
- Hardbacks are relatively costly to print, but have become cheaper.



## Decision Tree 8D:

Should a Book be Distributed to Bricks-and-Mortar Stores?

### **Alternative 8D i) Ignore bricks-and-mortar bookstores**

- Distributing print books to bricks-and-mortar bookstores is a strategy that risks the most outlay.
- The result can be rewarding or disappointing, just as with ebooks, but the start-up costs for a print edition are usually higher.
- Some writers are ignoring bricks-and-mortar bookstores, and instead concentrating their efforts in the online world in the hope of recommendations via 'click-of-mouse' as opposed to the traditional 'word-of-mouth'.
- A print-on-demand edition is highly unlikely to be ordered by a bricks-and-mortar bookstore for a customer.

### **Alternative 8D ii) Self-distribute to bricks-&-mortar bookstores**

- Self-distributing to bookstores is not easy, but it can be done.
- You will be doing well to sell more than 300 books if self-distributing to stores.

### **Alternative 8D iii) Contract a distributor to service bricks-and-mortar bookstores**

- A minimum print run for this approach is likely to be around 1,000 copies using either digital or offset printing processes.
- The marketing plan would prioritise publicity on radio, press and possibly TV, with social media as a support.
- Print-on-demand copies would be an afterthought, possibly a year or so down the track if orders from bricks-and-mortar stores have slowed to a trickle.

## Decision Tree 8E:

### What Are the Options for Withholding Tax Reductions?

#### Alternative 8E i) Pay withholding tax

- Australian writers are increasingly distributing their ebooks and print books through US-based online retailers.
- The royalties due to writers from these sales is subject to a **30% withholding tax**. Put simply, this means the retailer holds onto 30% of the writer's revenue unless the writer (or their publisher) applies for a **withholding tax reduction**.

The IRS is the USA's tax office and many Australian writers and publishers are now having to deal with their rules if selling via Amazon and/or Smashwords.



#### Alternative 8E ii) Apply for a withholding tax reduction using an EIN

- The quicker alternative when applying for a withholding tax reduction is to first request an Employer Identification Number (EIN) from the Internal Revenue Service (IRS) in the USA.
- A writer can ring the IRS directly to apply.

#### Alternative 8E iii) Apply for withholding tax reduction using an ITIN

- Otherwise a writer will need to apply to the IRS for an Individual Tax Identification Number (ITIN). This will take at least two months.
- It involves the US Consulate, a certified copy of your passport, and completing a W-7 form, which is supplied by the IRS in the US.

# Decision Tree 8F:

## What Other Networks Support My Book's Distribution?

### Alternative 8F i) Legal deposit requirements

- When a book is published in Australia, the law requires a copy of the book to be mailed to the National Library of Australia as well as the state library in whichever state the publisher or self-publisher is based. This is called **legal deposit**.



### Alternative 8F ii) Public lending rights from the Commonwealth Government

- The Commonwealth Government's Public Lending Right (**PLR**) scheme helps compensate authors and publishers for the loss of income due to public libraries lending out their book/s.

### Alternative 8F iii) Educational lending rights from the Commonwealth Government

- Educational Lending Right (ELR) compensates authors for lending by educational libraries at institutions such as schools, TAFE and universities.

The ELR rates of payment are tiered. The rates in 2012–13 were:

Total equivalent number of book copies	Rates of payment	
	Creator	Publisher
First 50	\$1,4792	36.98 cents
51–500	83 cents	20.75 cents
501–5000	41 cents	10.25 cents
5001–50,000	12 cents	3 cents
More than 50,000	9 cents	2.25 cents



## Alternative 8F iv) The Copyright Agency Limited

- The Copyright Agency Limited (CAL) is a not-for-profit agency that collects money from educational, government and corporate bodies to distribute among authors and publishers as compensation for the copying of their works.
- Membership is free to authors and a self-publisher can join as an author and publisher.
- For more details visit CAL's website:
- <http://copyright.com.au>



## Homework – Week 9

- Read Option 8:  
**Distributing Print & Ebooks**  
in *Your Book Publishing Options*, pp 229-262
- Take special note of the FAQs on:
  - Is a 67.5% discount to a distributor a rip-off?
  - Why bother about withholding tax held by international retailers?
  - How reliable are distributors' sales reports?
- Major project groups to be finalised this week in seminars.



END