

## **This is a story I've long wanted to write about...**

Authors often ask us how to get their literary creation on display in our independent bookstore and similar other stores across the country. For self-published authors, the short answer is that it is very difficult mostly because of financial realities. Most books you see in a store are supplied by a distributor or publisher that the store deals with on a regular basis. What follows is my explanation of how this industry works so that you can make decisions on how to satisfy your ego and help others enjoy reading or become more educated, and perhaps make some money along the way.

Technology, including the internet, has made it relatively easy and affordable for anyone to write and publish a book. Hundreds of thousands more books are now being created each year. No matter the topic, quality of writing, editing or visual presentation, anyone can create their own book, and then make it available as a digital download or in physical form. The playing field has become a lot more crowded, which makes it challenging for the best self-published works to be discovered.

I love to write. It's also a great ego boost when others read my thoughts and stories (except I lack an editor, sigh). Self-esteem is akin to ego, which is probably why my mother often told me having one was healthy. As a result, we have millions of people writing millions of stories. The internet is today's primary vehicle for delivery. Unfortunately, only a very few are able to monetize their intellectual work or reach a wide audience.

Amazon has become the leader in making it possible for anyone to publish *anything* and also make it available to anyone either digitally or in print. Amazon does not scrutinize the author's work. They simply provide the technology and online audience. For an e-book, the author sets the retail price (which can be free) and Amazon retains a percentage of any sales. If a customer prefers a print copy, a single copy is printed and then shipped to the customer. Amazon collects the customer's money in advance and later gives the author the net proceeds after deducting for the print and related costs plus a margin of profit. Print on demand, POD as this is known, is great for self-publishing even though the cost to print a single copy is considerably higher than the per-copy cost of printing thousands when using a publisher's traditional offset printer.

In the book industry there are large and small companies other than Amazon that provide POD services and distribution to both online and physical retailers. [Ingram](#), for example, will accept digital copies of books from authors and publishers. They then list the work on databases that retailers use for research. If the retailer wants a copy for a specific customer or to stock in store, Ingram will print and ship the required quantity. The bookseller pays Ingram but is fully responsible for the sale or eventual disposal of the book. The author, publisher and distributor are fully paid regardless.

A book's appeal and value is generally based on its content and the marketing done by the author and/or publisher. Booksellers are unable to read *every* book they might consider carrying. Instead they decide if the book fits their market and if the author or publisher is well-known. They also take into consideration the planned marketing and media coverage. Even with all these factors considered, a significant number of books never grab the public's attention. Finally, most successful books have a limited shelf life because the material becomes dated or the publicity stops. At this point the retailer must decide to reduce the retail price to clear the stock. Unfortunately, the price often must drop to well below their cost, or the book is simply destroyed. Selling printed books on speculation is therefore much riskier than most other commodities offered in retail stores.

Long ago the industry recognized the high risk to booksellers. Much of the cost of producing a book is involved in the one-time costs associated with writing, editing, designing and marketing. The costs of producing the actual book in mass quantities is only a small part of a book's final retail price. Therefore, the incremental costs to have more stores carry a book is relatively low

compared to the potential profit that each copy will bring the publisher and author. That reasoning led to the policy whereby publishers would remove most of the financial risk placed on booksellers by guaranteeing to take back any unsold copies and crediting the bookseller for the wholesale cost they paid. The bookseller must pay for the books that are shipped, but the unsold copies can be returned (usually within one year of purchase) with the credit being used against future purchases. As a result of this policy, booksellers became open to stocking many more books, which essentially created our successful and now decades-old industry.

This model works well for publishers and distributors who have large enough lists of existing and forthcoming titles to offer retailers. Smaller publishers and self-published authors on the other hand may not have any other suitable titles to offer the retailer as a replacement for the returned books. Refunds are uncommon. Some small publishers alleviate this problem by grouping with a number of other publishers and then offering distribution that allows credit to be used against all titles within the group. Failing that option, the small publisher or author will instead offer the retailer terms to carry the books at no cost (consignment). Only when the books are sold is payment received. Eventually, the unsold copies are either returned or destroyed. Have a look [here](#) at what our own store, Mosaic Books, offers in terms of a consignment policy.

Most independent booksellers are willing to carry a book on consignment provided they have space and feel it is suitable and has potential for their market. Local authors are an obvious fit. Before the invention of POD, the author would pay a handsome sum to have a few hundred or thousand copies made. From our experience over decades of bookselling, most often the author would sell only a few copies and then be left with a basement full of case lots.

*Note: Be aware of publishing companies that offer "full publishing services" but ask you to pay for all associated costs up front. This market preys on authors and their dream to become famous, which most often ends up well below the promised expectations.*

Today's solution to self publishing is POD. Although the printing cost per copy is much higher, the initial cash outlay and risk is essentially eliminated. This works well for the book sales generated through online discovery, however, it does not solve the risk associated with having the book shelved in bookstores. Most booksellers can quickly obtain a POD copy to satisfy an inquiring customer, but they are faced with the risks I mentioned earlier should they want to stock copies as well. Companies that offer POD usually do not accept returns, and as such they are a bit more costly to the bookseller.

To get around this obstacle, some authors will order POD copies themselves and then put them in the bookstore on consignment. In reality, this is the only way a self-published author can get their books into a bookstore. Unfortunately, the author must pay the printer (e.g. Amazon) essentially what the bookseller is willing to pay (i.e. their normal wholesale cost), which means, when a copy is sold in the store the author is paid only the money they paid the printer. Any profit the author might make will come from the company that controlled the POD service (essentially their royalty). When an author puts a POD title into a bookstore, they are hoping that the exposure will work toward gaining a wider audience, which in turn will drive demand in other more profitable markets. The author must also vigorously promote their work. People who become aware of the title will then come in specifically for a copy, or they will be reminded of the book while browsing and make an impulse purchase.

### **Beyond POD**

Once a book has found a market, the author can now decide to take the risk of printing offset copies at a much lower cost, which allows them to actually make a profit on sales. But then the author soon discovers that the time required to contact booksellers, convince them to carry copies, pack and ship, and then finally collect payment on the sales, will usually result in an equally low return on investment (that being said, we have had a few successes with popular local titles). If a book has a wider geographic/demographic market, the author might also explore the option of having a distributor warehouse and distribute the book they had professionally

printed. Although this significantly reduces the author's gross profit (because the distributor takes a larger cut than the bookstore) they are pretty much free of the hassles and also get to see their book carried in a larger number of retail outlets. To be successful in this scenario, generally the author must continue promoting their book (remember, distributors do not take on that role).

Finally, a successful self-published book might catch the attention of a reputable publisher. The publisher employs professional editors who fine tune some of the work, and provide graphic designers who ensure the visual design, choice of paper and cover is professional and appealing. Most publishers develop a marketing plan that exposes the book through various media channels (but the author is still a big part of that process). Publishers then present retailers with the book in a carefully curated current list of new publications. Booksellers pay more attention to these titles because they know the publisher is largely profit-driven and therefore unlikely to invest in a title just because the author was passionate about the work.

In closing, I hope that my thoughts have provided some insight into the book business. Fifty Shades of Grey by E.L. James was an amazing example of someone unknown becoming fabulously rich and famous in less than one year. The author had created three stories and initially made available for free on a blog. A publisher took notice and then accepted the risk and costs associated with editing, designing and bringing the work to print and distribution (in hard copy, box set, audio, foreign language and e-book). When the book's appeal exploded, the publisher had the experience and ability to fulfill the enormous demand.

Long live the writers and the quest to satisfy their egos! We independent booksellers exist because of you, but as I explained, cannot function within the closed-loop Amazon model. If you have a potential winner, try to be discovered by a reputable publisher to have your work properly edited, designed, marketed, printed and distributed, so that it can be available in bookstores big and small as well as discounters and online sellers including Amazon.

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