

The Industry Matters

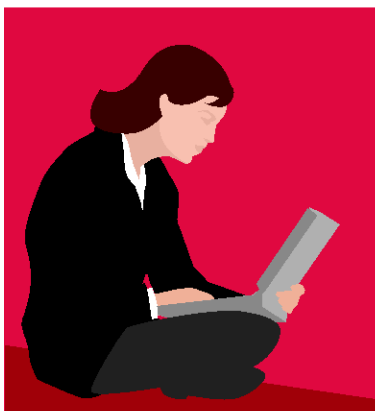
By Maya Reynolds

Two years ago, I made a lifestyle change and switched careers.

I approached my new career the same way I'd approached earlier incarnations as a teacher, stockbroker and social worker. I began with a meta view, looking first at the industry, in order to see the biggest picture possible.

Of course, the career choice I made was to become a writer and the industry I began to examine was that publishing.

It was soon apparent to me that publishing is undergoing rapid and enormous changes. What the industry will look like in a few years' time is anyone's guess. Here are just a few of the emerging issues that may have an impact on you, the romance writer.



E-Publishing:

In the mid-nineties, electronic publishers began to spring up all over the Internet.

E-publishing was initially regarded as a novelty. The sales generated on-line were not large enough to attract much attention. That changed in 2000 when Stephen King published his novella, *RIDING THE BULLET*, in digital form through Simon & Schuster, and sold over 400,000 copies in a few days. King followed this up several months later by selling *THE PLANT* directly to readers on-line through Amazon.

It's a safe bet Simon & Schuster were not happy to be left out of this second project. In a quixotic gesture, King sold the second book on the honor system, but was forced to pull the plug when people downloaded it without paying the \$2.50 per installment he was asking.

King's two on-line experiments prompted the publishing industry to stand up and take note of the potential for future sales in this strange new world of cyberspace.

In the five years since, many readers have grown comfortable with downloading digital novels. Romance and science fiction fans may simply be more adaptable than other audiences; the digital readership of these genres has exploded.

Although they rarely pay advances, on-line publishers such as Ellora's Cave, New Concepts and Loose-Id offer romance writers much higher royalty percentages (in the vicinity of 35% of the retail price versus less than 10% by traditional publishing houses). Another trait of the e-publishers is that they are often willing to contract for shorter length works (word counts as low as 20K to 50K).

Last month, venerable Harlequin announced they would be making e-books available on their e-Harlequin site before the end of this year.

Other traditional publishing houses are now approaching best-selling e-pubbed authors with contracts for print books. On the flip side, e-publishers have begun to offer their most popular titles in print form and sell them through bricks-and-mortar bookstores like Borders. Both initiatives offer a wider array of choices for writers and readers and bring us to the next emerging issue.



Changes in the Retail Market:

Quick! If I were to mention a best-selling author and ask you to identify the company that accounts for 20% of his book sales, what bookseller would you name?

If you said Wal-Mart, you were right. Earlier this year, Baltimore Sun columnist Sarah Weinman reported on the sales of a best-selling writer's most recent book over a three-week period. Waldenbooks sold 4,888 copies, B&N sold another 4,140 and Border's sold 3,993 more. And Wal-Mart? They sold 47,671 copies of the book during the same period.

What does that tell us? Wal-Mart, the largest company in the world, sells a lot of books. A lot of deeply discounted books. Let me repeat that: They sell a lot of deeply discounted books. Costco and Target sell discounted books, too. In the example above, each sold more than 16,000 copies. You can see where this is leading.

In order to compete, booksellers have to match the deep discounts offered by the

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retailing giants on their best-selling items. This squeezes their profit margins and forces them to make hard decisions on the other books they carry. Without a safety cushion, booksellers tend to be a little less willing to take chances. It's easier to stock “sure-bet” books rather than lesser-known or unknown authors. In true domino fashion, this dynamic is felt down the line and leads to acquiring editors and agents being--generally--a little less willing to take chances as well.

Hint to romance writers: be sure you can identify your book's genre and sub-genre (i.e., know the distinction between erotic fantasy and erotic paranormal). Agents and editors like to know exactly where your book will fit in the scheme of things.

As we discuss retailing, it helps to remember that, until fairly recently, readers anxious to buy a best-selling author's newest release had two choices: they could purchase a hardback copy for more than twenty dollars, or they could wait six months for the less expensive paperback to come on the market.

Finding a used copy was frequently a hit-or-miss proposition. I can remember wasting time driving from one used bookstore to another, searching for copies of a favorite writer's early books.

The Internet changed this dynamic. First, used booksellers popped up on-line. Names such as abebooks.com, powells.com and alibris.com are now familiar to readers. Amazon and e-Bay got into the act, too. Readers have become accustomed to searching databases for used books and then ordering them on-line.

As a result of the Internet, in addition to the choice of buying a new book in hardback or waiting for the paperback to come

out, today a reader can opt to wait six weeks or less after the hardback's release and buy that book used. Great for readers, not so great for writers.

Keep in mind: when a used book is purchased, no monies accrue to the author. These sales do not benefit either the writer or the publishing house. Purchases of used books also hurt book retailers by producing fewer new sales and squeezing their profit margins even more.

This changing market trend is significant enough that the non-profit Book Industry Study Group (BISG) undertook an extensive examination of the used book market. Their “Used Book Study” is due out in late October. Since their annual meeting in September, they've been dropping hints about the forthcoming study. For instance: since 2003, used book sales have increased 11%. One out of every twelve books sold today is a used book. In five years, that number is expected to change to one out of every eleven books. According to Adam Rothberg of Simon & Schuster, “These are not statistics to warm the heart of publishers.”

The emergence of a stronger, more easily accessible used book market is just one of the challenges facing booksellers, publishers and authors. Another challenge is the portable download--both visual and audio.



Downloads and Podcasts:

By now, most of us are familiar with

Mp3 players and iPods. Both are types of digital audio player (DAP) devices, which store and play digital audio files. Initially, these devices were only used to download tunes. However, in late 2004, a new phenomenon called “podcasting” began to emerge. The word is a combination of “iPod” and “broadcasting.” While an iPod can certainly be used, any DAP or computer with audio-playing capacity can play a podcast.

A podcast is a series of audio feeds uploaded to a website to which a listener may subscribe. At present, listeners are using the technology to download radio shows such as NPR's “All Things Considered” and “Morning Edition.” However, in May of this year, a San Francisco radio station (a division of Viacom) upped the ante. KYOURadio switched to a format whereby do-it-yourself radio wannabees could upload their files in the hopes that these would be broadcast by the station. KYOURadio is the world's first all-podcast station.

Podcasting is not just for amateurs. The September 7, 2005 edition of Publishers Lunch included an item about Holtzbrinck--one of the seven large New York publishing houses--announcing the launch of holtzbrinck-podcasts.com. The publisher--owner of such imprints as St. Martin's Press and Tor--will provide author readings, interviews and excerpts from their company's titles in podcast format.

Simon & Schuster followed suit last month and, not to be outdone, Time Warner has also gotten into the podcasting act.

While all three publishers are currently using the technology as a PR device, it's not a far reach to imagine them offering audiobooks directly to readers by subscription on Mp3 players in the same way that Audible.com does now. Talk about convenience. Imagine listening to the latest romantic suspense novel while jogging or standing in line at the grocery store.

Harlequin already has a marketing agreement with Audible, Inc.

And, let's take it one step further. What if a group of authors got together and started their own podcasting company? With access to the appropriate audio equipment and the Internet for sales distribution, would they even need a publisher?

At the same time these new methods for delivering audiobooks are being developed, innovative ideas for delivering print media are also being explored.

In Japan, where there are now over 70 million mobile phone users, people routinely read full-length novels on their cell phones. Only a few lines pop up at a time, but commuters on trains, people standing on queues or waiting for appointments, find this a pleasant way to pass the time.

Random House, the U.S. publisher, reported in February, 2005, that they had bought a substantial interest in VOCEL. Based in San Diego, VOCEL has a patent pending to speed written content to cell phones. Harlequin has also signed a licensing agreement with VOCEL to develop a platform that will include serialized novels and interactive experiences. Americans will soon be introduced to the novels-on-cell-phones that are so entrancing our Japanese counterparts.

Changing Print Formats:

While we're talking about Japan, keep on eye on the growing interest in "manga" or Japanese graphic novels. Manga, similar to the comic books of our childhood, are now a \$125 million dollar industry. Although once dominated by males, 60% of the manga market is now female with a specific genre called "shojo" for girls and women.

Starting in December of this year, Harlequin will begin to produce two lines of shojo novels in the States: one for teens and the other for readers in their early 20's. Since 1998, Harlequin has been releasing their novels in manga format in Japan. The short, colorful romances are especially appealing to young women

readers.

Summary:

Bottom line, publishing is rapidly changing. New technologies are having an enormous impact on the industry and may very well change the way we writers do our jobs over the next few decades. As savvy businesspeople, we need to make an effort to stay on top of these innovations and understand their potential impact on our careers.

Maya Reynolds is the pseudonym for Passionate Ink's Membership Chair. Maya lives in a small town south of Dallas, Texas. She has written and sold numerous non-fiction articles, but is now focusing her efforts on the erotic romance field. She recently won grand prize in the Romance Junkies contest for her "Witch Vampire?" and Berkley has requested the full manuscript. She also won second place in the JERR/EC contest with her novella, "You've Been A Bad Girl!" Ellora's Cave has requested that manuscript.



Maya writes about publishing, new trends and the writer's life in her blog. You can read it at www.mayareynoldswriter.blogspot.

● MEMBERSHIP ●

PRO News

By Melissa Schroeder

News from the PRO loop:

"Trick or Treat!"

Bookmarks and pens? No! This Halloween, PRO bootcampers will find much more in their pumpkins than that. Join our spooktacular speakers for a three-week crash course in the industry's approach to publicity and marketing.

Week One: October 31 - November 6
Avon author Christie Ridgway will be

joined by four Avon publicists to discuss the do's and don'ts of working with in-house publicists. This is a rare opportunity to shine a light on this aspect of the publishing business.

Week Two: November 7 - November 13

Best-selling author Debbie Macomber and her publicist Nancy Berland will share their insights on author self-promotion. If Debbie is the queen of self-promotion, Nancy is her prime minister. Learn from the best!

Week Three: November 14 - November 20

Booksignings, co-ops, product placement -- RWA PRO and former bookstore manager Corrina Lavitt will reveal the secrets of in-store promotion. Corrina may be joined by special surprise guests, including perhaps a buyer for one of the large chains.

To join the bootcamp loop,

1. Go to <http://groups.yahoo.com/group/PRO-Class/>
 2. Click on the "Join This Group" button. (Hint: if you don't see
 3. this button, but do see clickable messages from the last bootcamp,
 4. you're already a member of the list.)
 5. Follow the instructions on the screen.
- Don't forget to include your RWA member number!

Thanks, and see you there!

Your PRO Education Team"

Melissa Schroeder is Passionate Ink's PRO Liaison. Please visit her website at www.melissaschroeder.com.

