



EXISLE ACADEMY

THE BUSINESS SIDE OF PUBLISHING

MODULE 2 OF 4 — The Business and Marketing Mix

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The Business Side of Publishing

Module 2: The Business and Marketing Mix

Module 1: The Nuts and Bolts covered the basics of costing a book publishing project. In this module, we will look at the economics of the main sales channels and how they combine to build profitability. We will also look at ways to access these channels and what their normal terms of business are. You may, of course, have contracted with a publisher to handle some of this, but every successful author gets involved to some degree with the sales and marketing of their own books. It's therefore important that you have some understanding of the landscape.

Be realistic about your financial goals. Know that you are unlikely to make a lot of money and that your cash flow is going to be negative for a long time. Whether you self-publish or go through a conventional publishing route, it's still a rarity for people to get rich with a 'bestselling' book. By definition, this is a statistical oddity so you should not plan for what is essentially a freak occurrence.

How and where your book is sold and to whom at what price is something you can significantly influence. However, if you are self-publishing, you will first have to make sure you've got the basics right, and that means sourcing an ISBN and barcode and making sure you are listed on the relevant databases.

OBTAINING AN ISBN

To get your book into a bookstore, library, or book distribution channel, you need an ISBN. 'ISBN' stands for International Standard Book Number and is a 13-digit code that uniquely identifies your book. It allows libraries, publishers and book dealers to locate and identify specific books.

ISBNs are obtained in the country where the book is to be published.



In the USA, the UK and Australia, ISBNs are supplied by <https://www.myidentifiers.com> and can cost between A\$40 to US\$125 for an individual ISBN. If you purchase more than one at a time the individual cost reduces. This automatically lists your book in the Global Books in Print database. There is more information at this link: <https://www.isbn-international.org>

In the UK, ISBNs can also be purchased from: <https://nielsenisbnstore.com/Home/Isbn>

ISBNs are international and you only need one ISBN for each book, which can then be stocked and sold worldwide. You will need a new ISBN for every specific format though, e.g. hardback, paperback, eBook, audiobook, and revised or updated editions.

As soon as you publish your book you should register it with:

- the National Library who supplied the ISBN by applying for Cataloguing-in-Publication data, usually referred to as 'CiP data'. You will also be required to legally deposit one or two copies of your book with the National Library. This adds your book's details to library databases worldwide.
- the book trade databases listed below.

OBTAINING A BARCODE

Book retailers and distributors require a barcode to be printed on the back cover. The barcode is a scannable version of the ISBN.

The USA market requires an add-on of a 5-digit barcode that expresses the Recommended Retail Price (RRP). The first digit is a 5, which indicates the currency is US dollars, followed by the price. For example, a 5-digit barcode of 51999 indicates an RRP of US\$19.99.

You can purchase barcodes from a number of agencies, including <https://www.myidentifiers.com> or <https://nielsenisbnstore.com/Home/Barcodes> which allows you to purchase the ISBN and barcode together at a discounted price.

ADDING YOUR BOOK DETAILS TO BOOK TRADE DATABASES

There are two primary databases that list your book's details and descriptions, and ensure that booksellers and librarians worldwide can locate and order copies of your book:

Nielsen Book Data: <https://www.nielsentitleeditor.com/titleeditor/>

Bowkerlink: accessed via your <https://www.myidentifiers.com> account, or set one up now.

The more information and the richer the descriptions you add to your book's listing (metadata) on the trade databases, the greater the opportunities for increased sales.

Now that the basics are in place, let's look at the main sales channels.

SALES CHANNELS

There are four key sales channels for your book:

1. Online retailers
2. Bricks and mortar booksellers
3. Special sales
4. Export

ONLINE RETAILERS

Online retailers offer an opportunity for all publishers, whether they have one title or hundreds, to compete on equal terms. Each site requires a different approach from a publisher, and you will need to be diligent in your research.

Amazon can account for a major part of any publisher's business for physical, audio and eBooks. The key things you need to be aware of are:

You are almost never going to talk to a human being. As a supplier to Amazon, you get an automated system to use, enabling Amazon to remain totally focused upon its customers (the buyers). Some authors elect to be sold exclusively by Amazon and you can find out more on how to do this here: <https://www.createspace.com>. It's an easy option but not one we recommend. You should also look at Amazon's Advantage (<https://www.amazon.com/gp/seller-account/mm-product-page.html?topic=200329700>) and Author Central (<https://authorcentral.amazon.com/>) pages.

All online retailers are equipped to predict and service demand; they are less skilled at creating interest in a particular book. That is a job for you and your publisher. Drive business to the online sites and you will find that you end up with a higher profile and your book will appear more quickly in search results. But you have to do much of the work, so use all the opportunities you are given for loading supporting preview material and key words, and persuade everyone you honestly can to get your book reviewed on all online sites.

BRICKS AND MORTAR BOOKSELLERS

Owner operators, large independents, franchises and chains generally use different approaches. Nevertheless, there are some commonalities.

Normally they all operate on a sale-or-return basis. With this system, they agree to order your books and put them on display. They will pay your invoice usually within sixty days. However, if after three months — there is some flexibility here; sometimes it's six months but no more than twelve — the books have not sold, they then return them to you. You have to provide a credit or refund what they have paid you. Quite often the returned books are shop worn or slightly damaged. They might need refurbishing and sometimes they are best thrown away. The returns process is an environmental disaster and perpetuates poor selling and buying patterns.



So, why do publishers put up with this? Because booksellers are offered more books than they could ever possibly sell. Nowadays publishers build returns into their costings with most publishers budgeting for between 10 and 30% of their books to be returned from booksellers. Some booksellers return books after three months only to reorder them again in order to help their cash flow, but others are more considerate of their suppliers. Not every bookseller is profitable to deal with, so researching the good ones can make a big difference.

Booksellers normally require a discount off the RRP of at least 40%. If they are part of a chain, this could rise to 50% or more.

Here's an example to show you how the numbers work:

Retail price: \$20.

The bookseller requires a discount of 40%, so you invoice for \$12.

Shipping and packing costs around 10%, assuming you have several copies in one parcel. So allow \$1.20 for each book, but be careful with this figure as books can be heavy and you will only get value in shipping if you are working with bulk quantities. Single copies can cost over \$7 each to send.

So, deduct your \$1.20 postage from the \$12 you're receiving for the book. You are now receiving \$10.80 per book.

Don't forget to allow for 20% returns from the bookseller: which can seriously impact upon your profits.

APPROACHING AN INDEPENDENT BOOKSTORE

Often the owner is also the buyer, so just ask to speak to the person who buys the books. Do not go at weekends or lunch times; booksellers are busy people and bookstores normally don't have many staff. You may be asked to make an appointment. Be clear that you are the publisher of your book.

It may have taken you years to create your book but understand that a bookseller will most likely make a decision on whether to stock it or not within a minute or two.

Booksellers have buying budgets for each month of the year and these can be used up and orders placed long before the month of publication, so be sure to start talking to them at least two months prior to publication. Any bookseller will also want to see as much material as possible if not an actual book sample. They need to thoroughly understand the book and be able to assess its market potential and where it would fit in their store. They will need to know about the publicity you are arranging, how they can order the book, and what you will be doing to drive customers into their store to buy it. You will need to leave them an information sheet. Two examples are included here as an appendix.

REPRESENTATION

You cannot visit every independent bookstore yourself and, realistically, sending them items by mail as a way of soliciting orders is not going to work. So you can either make do with the bookstores you can reach and hope they build enough sales traction to create demand elsewhere, or you can try to organise representation.

Ask the booksellers you know who they think might be a good 'rep' for you. There are freelance book sales representatives in all areas and they each have defined territories. Freelance reps get paid by results – a commission that is a percentage of the invoice value they generate for your books. We suggest that you avoid organisations that charge you 'set-up fees' as this violates the payment-by-results principle.

You should agree on a target sales quantity with your representative. Make sure you have similar expectations or one party will be disappointed. 'Let's see how it goes' is not good enough.

Sometimes small- to mid-sized publishers take on titles to add to their lists and distribute through their warehouse and sales teams. This is a good option for convenience. Of course, this can be more expensive, as the publisher as well as the salespeople need to make their commission.

FRANCHISES AND CHAINS

The big stores and chains have specialist head office buyers whom you will need to track down. They vary in quality and are always besieged by suppliers and potential suppliers, so reaching them through a publisher with whom they have a prior relationship is generally much easier than approaching them directly. Common to all third parties who might be approached to sell your book is a fear that a self-published book can look amateur, fail at basic presentation standards and not be edited properly. You are an Academy member so this will not be the case for you, but chain stores and many other retailers may well insist upon seeing a finished sample before placing any orders.

Franchised stores often operate a hybrid system with some 'head office buys' as well as buying at branch level. If you negotiate a head office buy you will have to give a bigger discount, but you won't have to sell to each individual store. You will still have to deliver to each store and generally invoice them as well, however.

For both publishers and salespeople, taking on solitary titles is often not worth the effort. Unless there are very compelling reasons for people to buy the book, the administration work required can outweigh the benefits.

Generally, commission-based salespeople will visit retailers with an order form that lists all the titles they are selling that month. Make sure you see the order form with your title on it. You will need to provide them with as many reasons as possible for a bookstore to stock the book. The most compelling reason of all is normally publicity that is scheduled to happen soon after the book is in store (more on this in later modules).

SPECIAL SALES

Special sales are sales made to an organisation that does not regularly deal in books. This can be an important part of the business, especially for adult non-fiction titles.

The key here is to look for opportunities where a book can be resold or used as an incentive or giveaway. A few examples:

- A book on Australia's Lake Eyre sold magnificently well at the last pub travellers pass on the way there.
- A mail-order vitamins company purchased thousands of copies of a healthy-eating book as a giveaway to people who signed up for one year's supply of vitamins.
- A European geranium society sold copies of a growing guide to its members.
- The British Flute Society purchased practically the entire print run of a book on the history of the flute.

Where do you think your book could be sold? You need to be deductive and find the obvious places. Ask yourself who needs your book and where can you reach them? Then work out who else reaches these people and how you might be able to help each other. Books have a high perceived value, so if a 'gift with purchase' has a retail price of \$30, the recipient is going to get \$30 value. But if you sold your book at a 50% discount, the company will only have paid \$15 for it and you'll have made a profit. You can earn a good reward from time spent on special sales: there are normally no returns and only one big shipment of stock, and they're often be a great way of reaching your audience.

EXPORT

Don't just consider publishers in your own country. You might find a publishing house overseas that is a better fit for your book. Publishers around the world also sell each other rights to titles — that's largely what trade fairs such as Frankfurt and London are all about. Normally, you would provide the foreign publisher with the text and print-ready files, and they would pay you a royalty for the licence to sell your book in their agreed markets and territories. It is therefore common for books to have several publishers, each one responsible for a different market. The more universal the theme of your book, and the fewer localised references you make, the more likely you are to attract this kind of interest.

Pitching to an overseas publisher is exactly like pitching to a domestic one except that if you have already published the book locally, they are going to want to know that. Like retailers, publishers are keen to reduce risk, so the fact that your title has already been published in another market and hopefully attracted good reviews can make the decision easier for them. Your ability to travel and/or work on publicity will also help a great deal. A UK publisher recently asked about a South Australian author, 'How is he going to help us sell the book?' The quality of the answer will determine whether they take the book on.

Publicity and marketing are covered in the next module.