



Photography

Essays

Poetry

Art

Fiction

Life

Issue One

November 2010

THE FUTURE OF PUBLISHING

Nathan Everett

The title of this article would fit nicely on the cover of a tome the size of the Warren Commission Report and could inspire as much debate. Assume this is the beginning of a discussion rather than a definitive commentary. Publishing industry is a term that is broadly applied and nearly impossible to get real data on. We can look at data from the American Association of Publishers (AAP), Publishers' Weekly, and even pay for reports from Bowker, but we are still likely to scratch our heads wondering what it all means.

The fact that this article is called "The Future of Publishing," implies that I think there is a future. The industry is not dead. But neither can the industry look at 500 years of history and deny that the world has changed and continues to change. Eight years ago I made my first presentation to the Pacific Northwest Writers Association (PNWA) Summer Conference on how eBooks would become the dominant form of reading material in the future. The news was greeted with skepticism, to put it kindly. But this year, in the wake of falling prices of the Amazon Kindle and the introduction of the Apple iPad, my presentation at the same conference was greeted with cries for more information on how to create and market eBooks. The industry has changed. The industry is changing. Let's take a look at some of the influences effecting this transformation.

Past and Present

Technology. Eight years ago, the best reading device I could show my fellow writers at PNWA was a Pocket PC with a three-inch screen. Other eBook readers were just coming onto the market at prices well over \$500, and people simply couldn't see paying that much for an electronic reader when they could buy regular books for \$7.95. In 2010, a dozen new e-reading devices were announced and shown at the Consumer Electronics Show (CES) in January. Few of those have come to market or remained in the market. We're already seeing a reduction of the electronic reading to five dominant platforms. The first company to make eBooks practical was Amazon with the release of the Kindle. Sony was already in the market with a reader, but Sony did not have the on-line presence for their bookstore that Amazon had. The two major national book resellers, Barnes & Noble (Nook) and Borders (Kobo), both announced and released eBook readers this year, supported by their massive on-line bookstores. And finally, Apple entered the market, leveraging its on-line music and apps business into books with the release of the iPad. Reading technology is no longer an issue. From here out it will simply be a feature battle for e-readers. Who has WiFi or 3G or 4G connectivity? Who has color? Who has the best reading experience, screen-size, or set of buttons on the

device? We've made as significant a technological commitment to e-readers as we have to MP3 players. The technology is there, and it's cool!

Distribution. Ten years ago, the standard means of acquiring a book was to visit a bookstore or library. Someone had to stock copies of the book and you had to physically purchase or borrow it from them. While mail order was not unheard of, it didn't hold a candle to brick and mortar bookstores. The big threat was seen to be the loss of neighborhood bookstores to big chains and megastores. Enter

Amazon. The on-line bookstore and other forms of e-commerce change the way we do business. People could order from the convenience of their homes. And since the location didn't matter, Amazon could stock a few books of every title and not worry about saving shelf space for popular titles. By 2006, Chris Anderson of Wired Magazine was expounding on the long tail of e-commerce in which Amazon sold more individual copies of its backlist books each year than all the best-sellers combined—at a rate of just one or two copies per title. Cliff Guren of Syntopical,

LLC—long involved in eBook technology and acquisitions—summarized the current situation by saying that the paper book was an artifact of a distribution system that has all but been replaced. The strength of eBook sales is instant access to the books people want the moment they order them. Buyers do not need to wait for mail delivery or in-store pickup.

Economics. The economics of publishing

have changed. Yes, the cost of goods has increased, but best estimates are that the cost of goods for a \$25 hardcover bestseller is still under \$3.00. The other \$22.00 is spent on marketing, editing, sales, royalties, and—the biggest chunk—wholesale discounts. Industry rule-of-thumb says it takes thousands of sales in order to turn a profit on a new book and before the author starts earning royalties above the advance. At one time, publishers could just about get there on the pre-orders of almost any book by bookstores. There were thousands of bookstores and each one needed one or two copies of each title. Some would ultimately be returned, but those would be offset by the ones that went into second and third and more printings. But Amazon, Barnes & Noble, and Borders do not need to order as many copies of the books they sell on-line. Now publishers truly can't take a risk on a new author because they can't afford to not sell their quota. Over the past three years, we have seen new print-on-demand models, more books going straight to paperback, and less inclination on the part of publishers to take a chance on unknown authors.

Niche marketing. The ubiquity of the Internet and the rise of social media in the past three years have enabled anyone to gain a virtual following. This may be on Facebook, Twitter, YouTube, My Space, or any other social network. This following is a ready market for books that appeal only to a specific niche of the reading public. Prior to widespread social networking, it was almost impossible to reach this niche. Now that people collect together on-line based on those issues or activities that most interest them,

it is possible to reach these potential customers—sometimes with nothing more than the addition of a hashtag (#interest) to a Twitter posting. Nearly anyone should be able to sell 100 copies of their book, yet we are told that only 20% of the books published each year do, in fact, sell more than 100 copies. Garrison Keillor opined in a New York Times editorial there would be “18 million authors in America, each with an average of 14 readers, eight of whom are blood relatives.”

Democratization. Marshall McLuhan once said “Gutenberg made everyone a reader. Xerox makes everyone a publisher.” His comments came years before the true realization of the concept with both desktop and Internet publishing. Where the technical expertise needed to create a printed book was once both difficult and costly to attain, desktop computing tools steadily reduced the level of technical skill required and the cost until the tools became commonplace. As a result, the publication of books outside the mainstream publishing companies increased rapidly. In 2009, nearly 100,000 independently published books were registered at Bowker. Today, literally anyone can publish a book, and with a few of the right connections, they can make it a good seller!

The Future

So what does the future hold for publishing? Since so little verifiable data is available, we could make almost any prediction and be safe from disproof. But here are a few of the things I believe are about to change in the near future.

Traditional publishing. The vice president of

publishing services for Bowker was recently quoted in one of their press releases: “The data surrounding traditional publishing suggests that the weak economy is still having an adverse effect in what and how much consumers are willing to purchase,” said Kelly Gallagher, vice president of publishing services for New Providence, N.J.-based Bowker. “However, looking at the overall picture, we’re seeing that the face of publishing itself is changing. Non-traditional publishing, especially related to print-on-demand, continues to offer new avenues and opportunities to grow the publishing industry. Given the exponential growth over the past three years, it’s showing no signs of abating.” That growth has been seen in the continued year-over-year increase of eBook sales and in the fast release of public domain works as print-on-demand books by several non-traditional houses. Even if they never print a book, each on-demand title has been issued an ISBN, accounting for three-quarters of a million ISBNs issued last year. The lower end of on-demand publishers is also growing. CreateSpace, General Books, Lulu, Xlibris, and AuthorHouse account for over 60,000 ISBNs issued in 2009. These companies cater to independent (self) publishers as their primary clientele.

Traditional publishers have long sought the blockbuster best seller. For every novel that sells a million copies, several thousand sell less than a hundred copies. Traditional publishing houses cannot afford to produce many books that don’t turn a profit.

Those New York offices don't come cheap and "Melvin's Pretty Good Magic Tricks" won't pay the rent. A handful of authors support the traditional publishing industry today. Are you surprised to learn that over 25% of the books sold in the United States this year are by James Patterson?

I see a big shift in traditional publishing. Once the leaders who discovered the next generation of new writers and books, traditional publishing houses are about to become an industry of second book authors. Once an author has proven his or her

marketability with a good selling book, the traditional publishers will jump at the chance to publish a second book and take second rights on early publications. But until then, they will publish the tried and true. Expect less daring, less adventurous, and less new from traditional publishing.

Evolving Roles.

The agent. The roles of people involved in the publishing process are changing rapidly. At the 2010 PNWA Writers Conference, Agent April Eberhardt of Kimberly Cameron & Associates said that she expects literary agents as we know them today to be a thing of the past within two years. They will be replaced by a new role of "author advocate." At first, it may be difficult to distinguish the difference. Most agents would consider themselves to be advocates for the author. But the shift is in a reduced focus on getting a commercial publishing contract and an increased focus on the work that agents do to help an author get a book ready for publication, connect the author

with resources for self-publishing, and guide the author through the tricky waters of marketing and selling a new book. Author advocates will represent an author's work to traditional publishing houses only after the author has shown a proven track record in the self-publishing field. This will reduce the risk of publishing a previously-unknown author. With the public positioned to evaluate an author's work before a commercial publisher invests in the book, the role of the agent is shifted to author support rather than publisher negotiation.

The role of the author will change as well.

When I started a publishing business two years ago, Agent Alice Volpe of Northwest Literary Agency warned me that it was very difficult to be both a writer and a publisher. Inevitably, she said, you ended up one or the other. Authors in the new order, however, will need to be savvy marketers of their works as well as good business people. The working writer will need to split the day between creative and sustaining. The typical day for a writer will be spent with less than 25% actually devoted to writing. The rest will include managing the mechanics of book publishing (layout, printing, distribution), selling and promoting (phone calls, speaking engagements, blogging, social media), and business management (bookkeeping, inventory control, shipping, and even employee management). It will be very hard for self-published authors to function in an isolated world where they just write. There may, however, be some emerging alternatives in independent publishing described below.

The role of the editor, in my opinion, will

make a strong comeback. Deep, critical, literary editing has been almost non-existent since the death of Maxwell Perkins (editor at Charles Scribner's Sons for Hemmingway, Fitzgerald, and Wolfe) in 1947. Over the last half of the 20th century, the role of the editor in the traditional publishing house became focused largely on the acquisition, marketing, and sales of literary properties. Writers were expected to bring well-edited work to the table and agents often picked up the slack in criticizing and helping authors improve their work. But the role of a literary editor, independent of the traditional publishing houses, will become more and more important as the publishing process is streamlined. Well-edited work will have a huge advantage over that which hits the market with errors due to lack of proofreading and critical editing.

Independent Publishers. Obviously, I believe there will be even more self-published authors in the future than ever before. Over the past half-dozen years, self-publishers have adopted the name of independent publishers. But nearly as many independent publishers cease publishing each year as those who begin publishing. I believe we are going to see a move toward consolidation of independent publishers into cooperatives and services that lift much of the technical burden from the individual author. There are many different forms that this might take, including the creation of umbrella publishing companies in which different

authors take on different parts of the publishing process (production, marketing, distribution, etc.) to create single on-line bookstores that host several authors. Another alternative is to build agencies that collect a fee from self-publishers to handle all the marketing and production responsibilities. There are already companies that have commercialized independent publishing and eBook publishing like CreateSpace, Lulu, and XLibris. But these companies have only scratched the surface of the opportunity that is to come.

eBooks. Finally, I'll mention that eBooks and electronic distribution are going to play an increasingly important role in getting authors to print. The advantages of not having to stock books and being able to ship without postal or ground shipping charges will spell the difference between survival and obscurity for many authors. The issues that will be resolved in the eBook world within the next two years include digital rights management (DRM), interoperability of eBooks across devices, and the value proposition for electronic books. Advances in these areas are occurring as fast as they can be reported.

There are many more things that will change in the near future—perhaps fodder for future articles in Line Zero.