Self-Publish or Perish? The Implications of Digital Book Production

By Howard Fenton

The number of traditional publishers and the books they produce are in decline, while the number of self-publishing companies and books produced with the technology is on the rise. The strategies and technologies that are changing book production and distribution could also alter other forms of printing and publishing.

Whether you believe that printed books will remain viable in the future largely depends on your point of view. Those who argue that books and traditional book production are dead point to declines in both book readership and the number of book publishers, as well as an obsolete book distribution model, and compare the costs of long offset runs with shorter digital runs. On the other hand, proponents of traditional book publishing argue that print production is evolving and morphing with digital and online technologies. They maintain that those who take advantage of this evolution will be able to use it for any printing application capable of digital transference.

Although this controversy is not new, it is becoming more intense as digital production and online strategies challenge traditional book production and distribution methods. These new production and distribution strategies are likely to benefit the book market first, but others will follow.

In a recently posted report titled "The Book is Dead. Long Live the Book," Jeff Jarvis, author of a provocative blog at Buzzmachine.com, wrote that books are "an outmoded means of communicating information" and added that book publishing is not alone among media that are faced with "better means of doing what they do."

Don't tell that to Kathleen McGowan. Last year, McGowan and her husband, Peter, went thousands of dollars into credit card debt flying from Los Angeles to New York for the Bookkeeper America convention. McGowan had spent several years researching and writing her novel, "The Magdalene Line," which she self-published in early 2004.

Self-published authors pay to publish and market their own books. As an affordable option, it is relatively new. ("Vanity publishing" using conventional production has been around for some time but has generally been beyond most people's means.) In the past, in order to publish a book, one had to hire a literary agent or submit a manuscript to a book publisher, but the

Featured in This Article

Online book publishers, including those mentioned in this article, include the following:

http://booksandtales.com/pod/index.php
www.foxacre.com/bookpage/bodaddress.htm
www.selfpublishingsearch.com
www.parapublishing.com
www.bookmarket.com
www.lulu.com
www.iuniverse.com
www.instantpublisher.com
www.trafford.com

odds were not good. Over 98% of all unsolicited manuscripts submitted to traditional publishers are rejected. Today, however, anyone can publish and market a book, produce it and order it cost-effectively with Web-based services.

Many self-published books don't end up on shelves, but on Web pages. For example, Xlibris Trade Publications (trade paperbacks, hardbacks and short books) are listed on Amazon.com, Borders.com and Barnes and Noble.com. This can be a very good thing. When books are put on shelves, two things can hurt pricing and profits: Book distributors or wholesalers carve out a piece of the pie and unsold books go back to the wholesaler, who can then return them to the publisher for a refund.

McGowan's self-published book turned into a Cinderella story when it became widely read and was subsequently picked up and published this year by Touchstone, an imprint of Simon & Schuster, for a seven-figure advance. "This is … a strong example of how self-published authors can really succeed," McGowan said about her publishing success through BookSurge. Although McGowan's success might be an exception rather than the rule, it shows that there are new ways of manufacturing and publishing successful books.
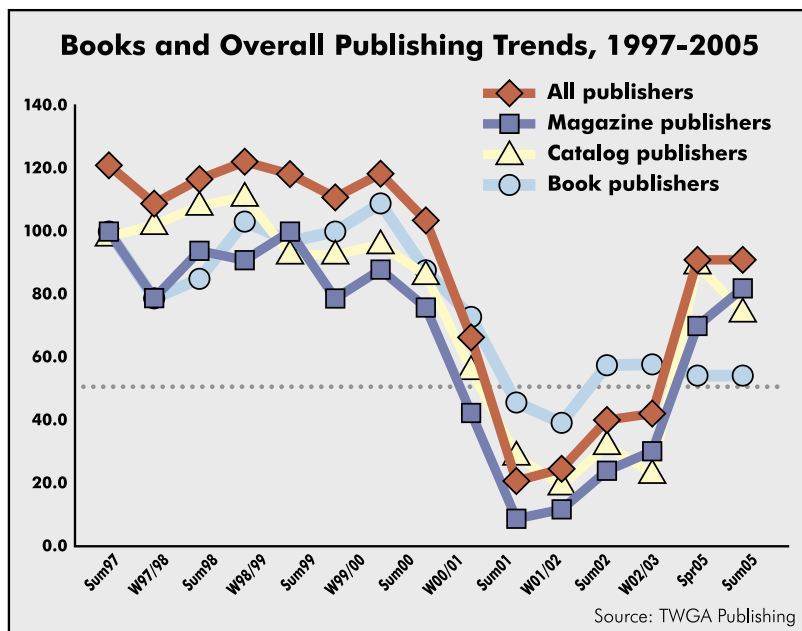
Gloom and Doom, By the Numbers

According to the National Endowment for the Arts (NEA), only 57% of the U.S. population now reads even one book per year, a 4% decline in a decade. The percentage of adult Americans who regularly read literature — novels, short stories, plays and poetry — fell to 46.7% from almost 57% in 1982, which translates into a loss of 20 million potential readers.

Furthermore, according to the NAPL State of the Industry Report 2006, the number of book printers declined by about 25% over the past seven years. And according to Joe Web's Trendwatch study No. 17, Spring 2005, the number of book publishers shrank to about 60% of the total that existed in 1997, largely due to industry consolidation. Ten publishers accounted for more than 80% of annual book publishing revenue, and the top 10 book printers were responsible for more than half of all book manufacturing revenue.

In 2002, the U.S. census bureau counted 557 American book printing companies, down from 690 in 1997. About half of them had fewer than 10 employees. In 2002, the total value of books shipped was $4.87 billion, down from $5.51 billion in 1997. Companies with 100 employees or more accounted for 82% of the total value of shipments. Strategies on Demand LLC estimated the total book printing industry shipments at $5.4 billion in 2005.

The increase in returns has been another important issue. In 2003, 34% of adult hardcover books were returned to publishers compared with 28% in 1993. In 2004, according to the Association of American Publishers, those returns had a wholesale value of $801 million, up from $743 million the year before.

To compensate for lost revenues from returns, publishers have raised prices. Between 1985 and 2003,

Books and Overall Publishing Trends, 1997-2005

Legend:
- All publishers
- Magazine publishers
- Catalog publishers
- Book publishers

Source: TWGA Publishing

hardcover book prices rose 118%, far outpacing the 71% gain in the Consumer Price Index during that period, and the increase in prices has hurt sales. A recent Wall Street Journal article traced the escalation of book returns to the 1990s, when book chains became super stores and expanded the size of their orders. Retail practices from those chains and from "big box" discounters like Costco and Walmart have led to an ever-shorter life span for bestsellers. In addition, publishers bring an increasing number of books to market every year.

The Glass Is Half Full

Despite these developments, several market researchers argue that book production and publishing are alive and well and well-positioned for the future. In an April

The recovery of some publishing sectors since Sept. 11, 2001, has not been matched by the book publishing sector. One possible reason for books' persistent failure to rebound could be the growth of self publishing.

Beyond Book Production

Book production is only the tip of the iceberg of applications and the use of templatebased design. Pioneers are using this technology for a variety of printed projects and helping clients reduce costs and eliminate turnaround times. Washington State's Department of Printing won a 2005 PODi Award for its use of templatebased production, working with Pageflex to develop a Web-to-print application that allowed 1,023 users from 367 state agencies to access design templates, customize them and produce business cards, stationery and brochures.

By using Web-based interactive editing technology, Washington State's Department of Printing saved more than $10,000 in just the first four months — with less proofing, shipping of proofs and preflighting — without reducing the actual printed product. And the Web-to-print application reduced turnaround times, by 67% for business cards over traditional ordering processes, for example.

It also can work for books. "Printable's core technology allows for the building of custom books, too," said Amy Bamberger, account manager for Printable Technologies. "In one case, a technology company sends their training teams all over the world to train customers. The trainers go online and select the specific chapters they need, put them in the desired order. They can personalize the covers, add cover graphics and request a PDF proof. The book is then assembled, the pages numbered, a table of contents created and the book is printed, bound and sent to the location. This streamlines the creation and ordering process."

Eventually, this type of bookbuilding capability will find its way into university settings. Professors will be able to select chapters from different text books, upload worksheets, articles or syllabi and design their own course pack and textbook pulling in information from many different sources, personalizing their class content. **TSR**

2003 study titled "The Future of Paper," Infotrends/ CAPV concluded that 87% of Americans read books and about nine out of 10 said they read printed books. Just 3% said they prefer electronic books and 9% said they favor a mix of both. Interestingly, age and household income were not factors in their preferences.

Of the 1,100 people who responded, about 80% said they don't expect the way they read books to change over the next five years. In fact, books were the only type of document where a higher percentage of consumers indicated that they expect less in digital format rather than more. Moreover, younger people said they expect fewer electronic books than older people.

An October 2005 Interquest study titled "The Digital Book and Manual Printing Opportunity," which grouped together books and manuals, concluded that the compound annual page growth from manuals will increase 7% and that page growth from books will increase 26% from 2004 to 2009. The number of books and manuals produced in color will grow to 15% from less than 5% today because of the lower total costs associated with digital color printing, according to the study.
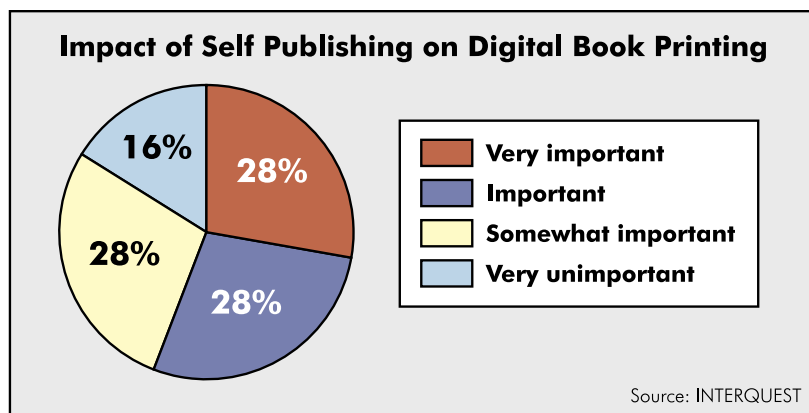
In "The Future of Paper," Infotrends/CAPV also points out that the book is the publication that the highest percentage of people prefers to receive in paper format. The form factor of a book is well-established in terms of size, weight, page count, chapters and quality of the printed page. More importantly, readers form a sort of relationship with their printed books. They look forward to the end of the day when they can lay in bed or sit in a comfortable chair and read a good novel. People often like to take a book with them while traveling or if they have some down time while waiting for an appointment.

New Technologies Create New Opportunities

Web-to-print technology has clearly revolutionized the production aspects of self-publishing, while the growing acceptance of search technology offers alternatives to costly marketing. Today, anyone with a computer and a desire to publish a book can use a template-based publishing strategy from companies such as Lulu.com.

Lulu.com allows a prospective author to choose a layout from a limited number of available templates on the site. Authors "flow" the text into the layout from a word processing file, choose a binding style and cover art, and set the price of the printed and/or online version. The book can be purchased via Lulu.com or through Amazon.com. Lulu software automatically takes care of fulfillment (printing and mailing), so the book is never touched by a human hand.

Lulu uses Lightning Source to print many of its books and send them into Amazon and Ingram. Lightning Source provides the backbone for many self-publishers in the print on demand (POD) industry, although BookSurge might become a more popular option now that it's owned by Amazon. Companies such

Impact of Self Publishing on Digital Book Printing

- 28% Very important
- 28% Important
- 28% Somewhat important
- 16% Very unimportant

Source: INTERQUEST

as Lightning Source, Xlibris, iUniverse and dozens of others use new computer equipment to print and bind single-book copies that can be finished in minutes. Setup fees typically range from $80 to $120 and many self-publishers pay a 15% royalty on any books sold. Lightning does not pay royalties; instead it compensates its publishers from books sold (the wholesale price of the book is set by the publisher, minus print cost). Each book costs $4 to $7 to produce but can be printed in runs of one or a dozen copies, compared to $3 to $5 for books that a traditional printer produces in runs of hundreds.

Some of the online quoting mechanisms available on many book sites allow the author to view quotes in a "Chinese menu" strategy. They can select from perfect-bound or saddle-stitching, black and white or color pages, as well as different covers, and can compare costs. Various sites offer different percentages of royalties, depending on the distribution channel (on their site exclusively or on other Web sites).

Digital asset management systems for storing client files are also fueling on-demand books and other printed materials. In a self-publishing model, this allows customers to order one book at a time, but it is useful for other types of print production as well. For example, a small safety manual printer in Texas allows its oil rig customers to print manuals one a time.

Remote soft proofing was not created specifically for books, but it works well in that environment. Some Web sites either send a PDF proof of what the book is going to look like or let the user preview the book online, page by page.

A large portion of the manufacturing cost for toner-based pages is determined by consumable and maintenance costs. Since the introduction of color toner-based devices, these costs have consistently declined. In the early days of color toner production, the fully burdened cost per page was about 75¢. Today, with modest volume, the cost per page can come down to 25¢, and some manufacturers say that high-volume work can reduce it to 10¢.

In light of this significant reduction in costs, the largest on-demand book printer will offer color on demand books later this year. Lightning Source, a compa-

A significant majority of book readers regard self publishing as a significant factor in the future of digital book printing.

ny that pioneered on-demand books, prints more than a million books per month and has more than 350,000 titles in its system from about 4,300 publishers. It can produce a single copy of a hard- or softcover book in as little as 12 hours and generates most of its sales from trade books and university presses.

Lightning Source has become "the authority" in the black-and-white, on-demand book manufacturing market. After two years of research and development and in keeping with the tradition of high-quality books, which the publishing community has come to expect from Lightning Source, the company will begin full production of color books at its U.S. facility in LaVergne, Tenn., in August. The new capability will be available at Lightning's printing facility in the United Kingdom in early 2007.

Conclusion

The death knell for books has sounded before. In 1894, in response to a technology known as "phonography," Octave Uzanne predicted the end of print mediation between author and audience in a frequently quoted article in Scribner's magazine: "If by books you are to be understood as referring to our innumerable collections of paper, printed, sewed and bound in a cover announcing the title of the work, I own to you frankly that I do not believe (and the progress of electricity and modern mechanism forbids me to believe) that Gutenberg's invention can do otherwise than sooner or later fall into desuetude as a means of current interpretation of our mental products…. Our grandchildren will no longer trust their works to this somewhat antiquated process…"

In regard to his own work, Uzanne proved prescient: His flamboyant essay, as well as several of his longer works, is widely available today in HTML and e-book form. But pronouncements of the death of print, then as now, are decidedly premature.

According to RIT Professor Emeritus Frank Romano, "The future of books is on-demand printing. There will be more titles than ever before as individuals and families self publish short runs of books to pre-
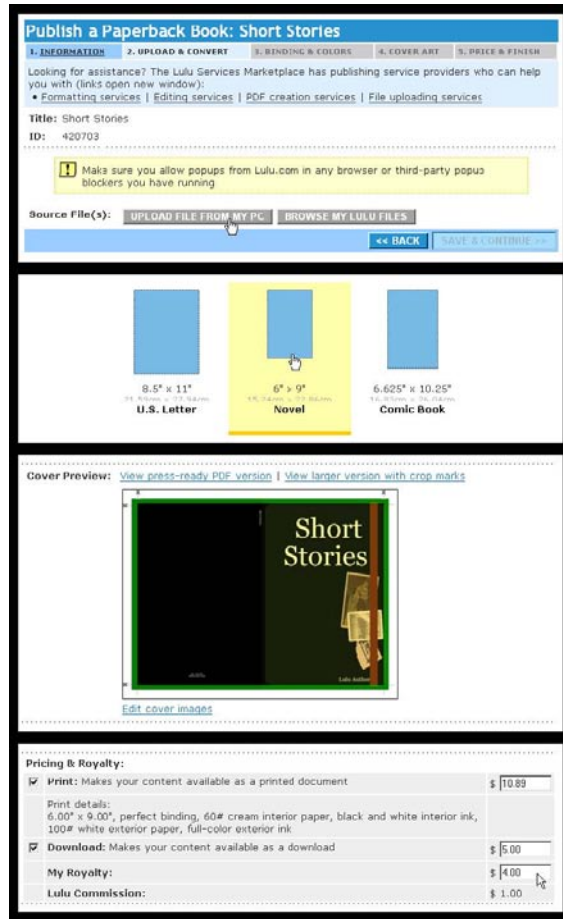
Lulu.com uses a step by step "wizard" approach to book publishing. The author enters critical data, uploads the manuscript, chooses the page size (from a selection of common U.S. and European styles) and selects the desired binding style and cover art. The software allows the user to specify either the price or the desired royalty and calculates the missing numbers, including Lulu.com's 25% commission.

serve memories or express themselves for many reasons." What remains to be seen is how the major traditional publishers will respond to the surge in self-publishing and inexpensive on-demand technologies. Just as radio was changed but not eliminated by television, so, too, will mainstream publishing be forever altered by upstart companies and disruptive technologies. TSR

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