



10 Trends Transforming the Future of Publishing



May 13, 2016 -- Chicago

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Founder, Smashwords

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Housekeeping:



1. You're welcome to record this. I might say some stuff you might want to hear again, or share, or vociferously dispute.

2. We might touch some nerves. I have warm milk, chocolate and wine up front if anyone requires comfort at any time during this presentation

Disclosure:

I love self-publishing. Those who don't know me may be surprised to learn I also love publishers, literary agents and all the amazing people in publishing who add such tremendous value to books. We're all in this together and I thank you for your service to books.



So let's get started

**I'll share my views on some 10
broad industry trends.**

**Some will probably be obvious.
Some might provoke some strong
feelings.**

**Bottom line, I hope you will join
me in sparking some important
discussion.**



**You are the Chosen One, the One who
will deliver the message.**

**A message of hope for those who
choose to hear it and a warning for
those who do not.**

**~ Lyrics from Rosetta Stoned by
Maynard James Keenan/Tool**



Smashwords Backstory



LESLEYANN & MARK COKER

BOOB TUBE

A Novel



2004-2005: Publishers Said “No”

REJECTED



My Epiphany



- **Publishers unable to take a risk on every author**
 - **Judging books based on perceived commercial merit**
 - **Guess what readers want to buy**
 - **Spaghetti against the wall**



- **Publishers publish for reasons different than why writers write**



- **What if I could create a free publishing platform for all writers?**



- **What if I could say YES to every writer?**



My solution: Give writers the power of self-expression and self-determination



- **Smashwords - FREE eBook Publishing Platform**
 - ✓ **Free ebook printing press**
 - ✓ **Free best practices knowledge - to help writers publish like professionals**
 - ✓ **Distribution to major ebook retailers and libraries**



Smashwords Distribution Network

Upload once, reach multiple outlets



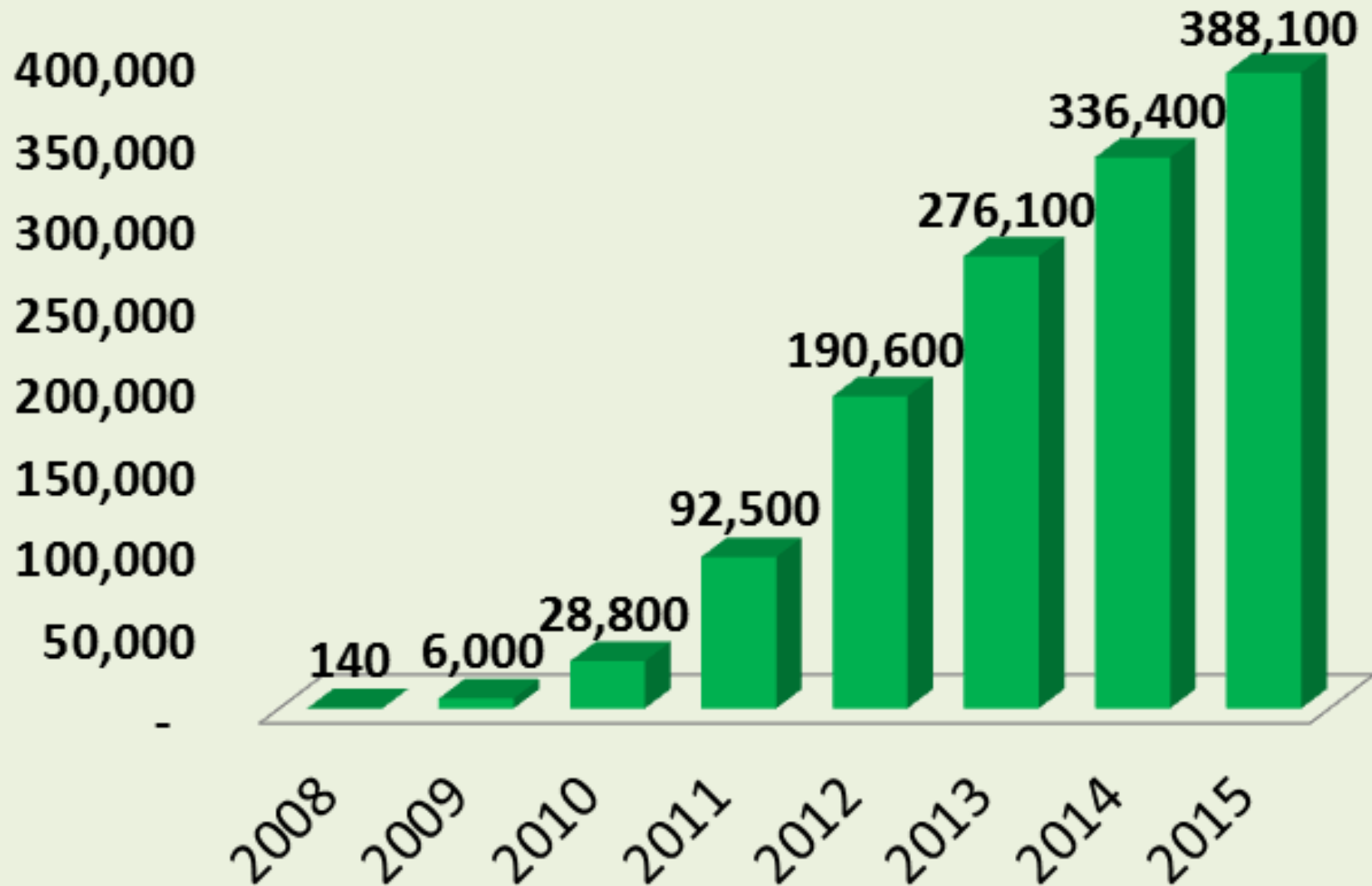
More coming!

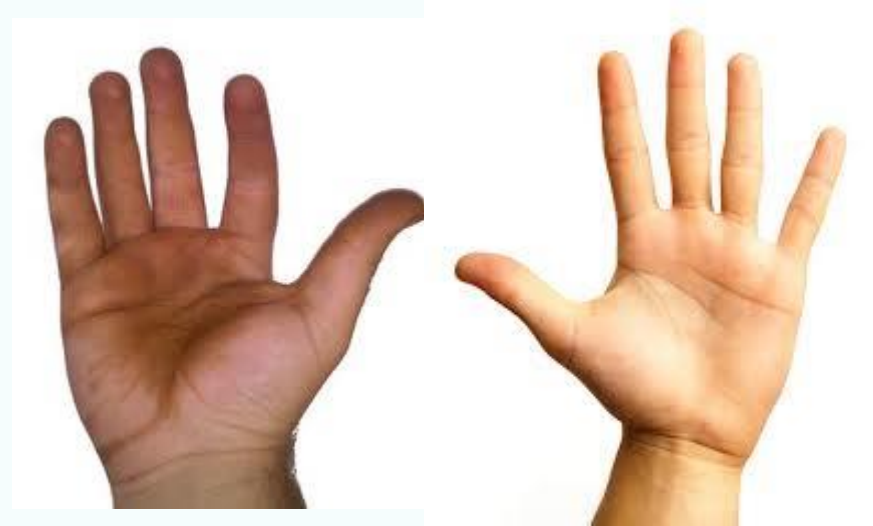
* Limited distribution to AMAZON, see <http://smashwords.com/distribution> for instructions



Ebooks published at Smashwords

Titles Published at Smashwords





10 TRENDS THAT WILL TRANSFORM THE FUTURE OF PUBLISHING

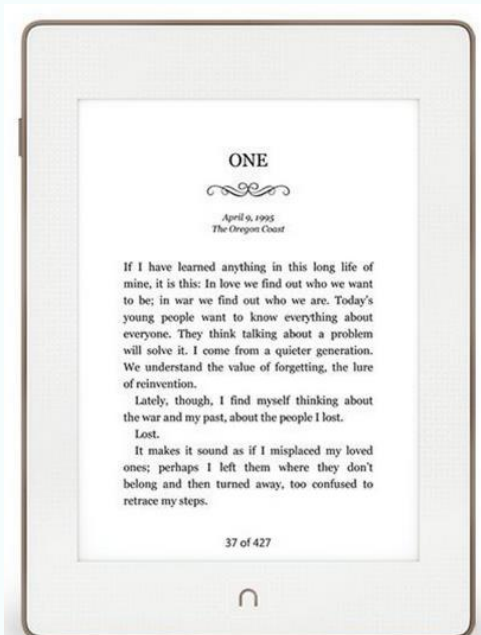


TREND ONE:

The Rise of Ebooks

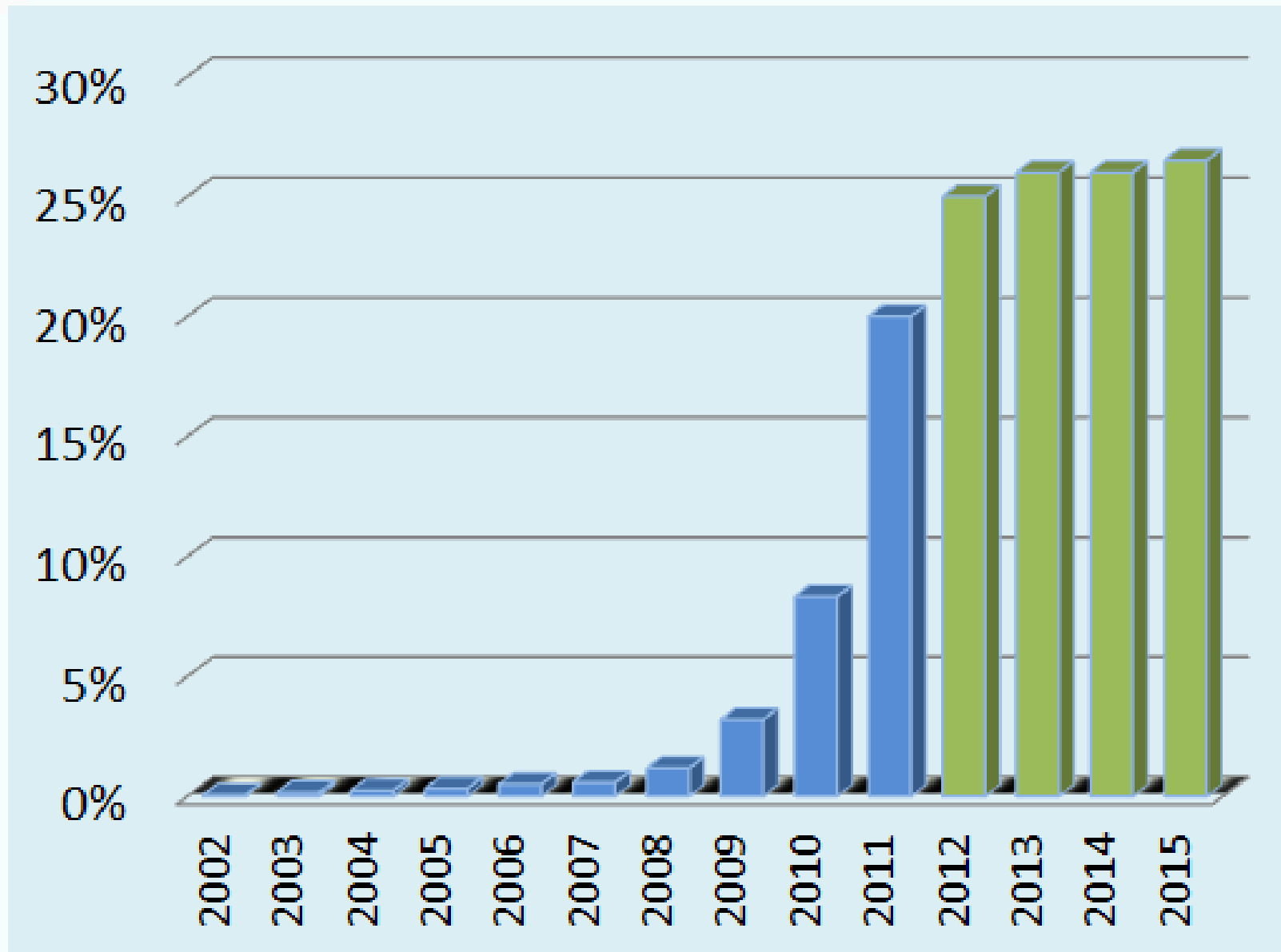


Screens are the new paper





Ebooks as a percentage of US wholesale trade market



Source: Association of American Publishers, publishers.org. 2012-2015 Smashwords estimate



Unit volume tells a different story

- Ebooks to overtake print

Print books

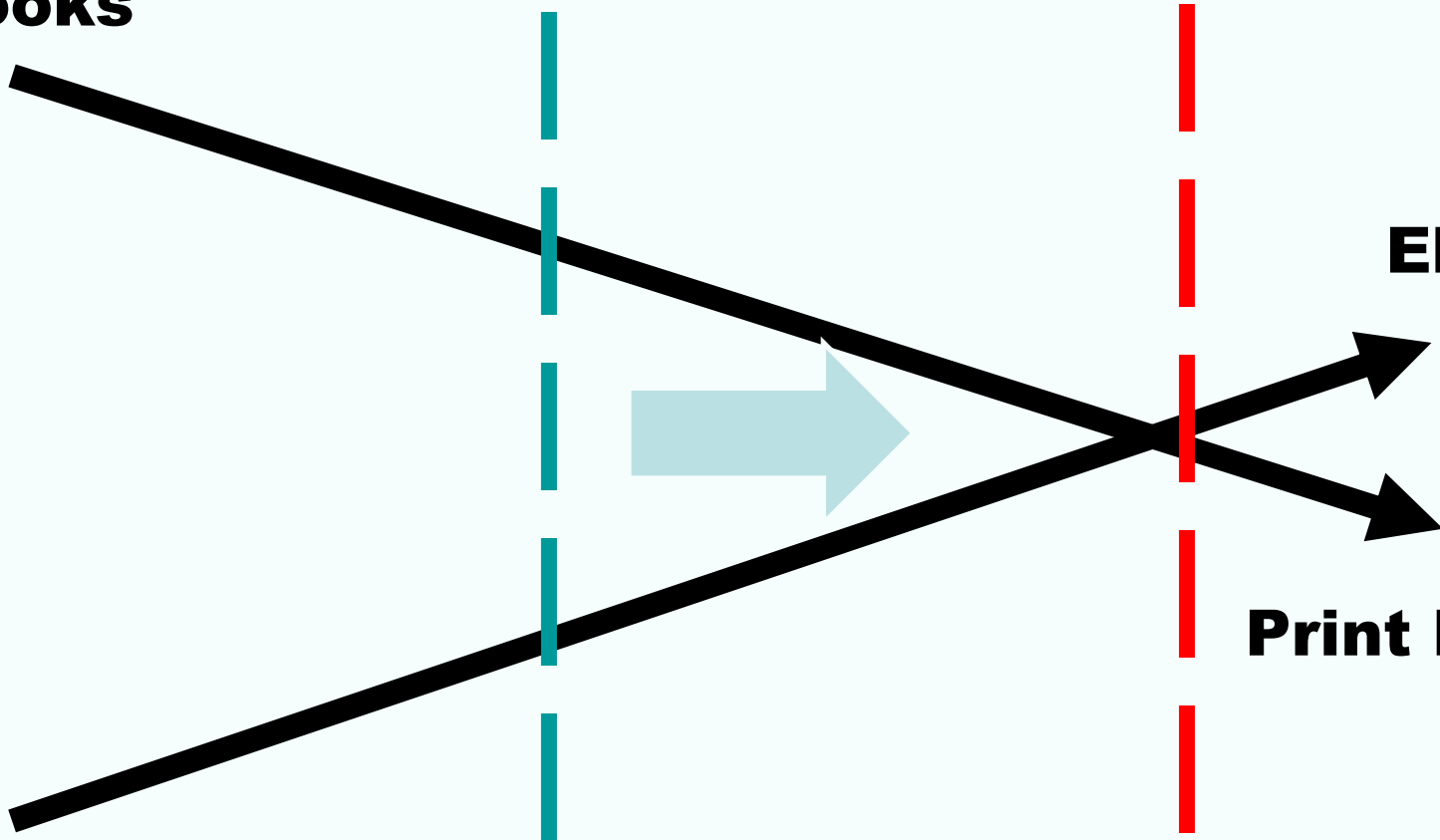
Ebooks

Print books

Ebooks

Dollars

Units





Why ebooks are hot

- **Screens offer better reading experience than paper**
- **Changeable font size** A B C D
- **Lightweight and portable**
- **Ebooks offer better consumption experience**
 - **Lower cost than print**
 - **Convenient sampling and purchasing**
 - **Huge selection**



TREND TWO

Publishing Democratized



Once upon a time, in the dark ages of publishing (10 yrs ago)

- **Publishers controlled**
 - **The printing press**
 - **The knowledge of professional publishing best practices**
 - **The access to retail distribution**
 - **The fate of writers**
- **Publishers were the bouncers at the pearly gates of authordom**



Today, publishing is democratized

- **Now, especially with ebooks, the tools of professional publishing are democratized and available to every writer**
 - **The printing press**
 - **The retail distribution**
 - **The best practices knowledge**



Publishers losing their monopoly



- **Writers no longer need publishers to publish, distribute and sell**
- **Writers asking two dangerous questions:**
 - 1. Do I need a publisher? What can a publisher do for me that I can't already do for myself?**
 - 2. Will a publisher harm my ability to reach readers?**



TREND THREE

Ebooks are going global



The Global Ebook Opportunity



- **Freed from the logistical limitations of print, ebooks are going global**
- **Retailers going global**
 - **Apple iBooks (51 countries), Amazon (~14), Kobo (~160), Smashwords Store (200+)**
- **~40% of Smashwords/iBooks sales global**



TREND FOUR

The Rise of Indie Authorship



A Global Cultural Movement

THE INDIE AUTHOR MANIFESTO

WE INDIE AUTHORS BELIEVE *all writers* ARE CREATED EQUAL, THAT ALL WRITERS ARE ENDOWED WITH *natural creative potential*, AND THAT WRITERS HAVE AN UNALIENABLE RIGHT TO EXERCISE, EXPLORE AND REALIZE THEIR POTENTIAL THROUGH THE FREEDOM OF PUBLICATION.

I HOLD THESE TRUTHS TO BE SELF-EVIDENT

1. I AM AN INDIE AUTHOR.
2. I have experienced the *pleasure and satisfaction* that comes from self-publishing.
3. **I HAVE A RIGHT TO PUBLISH.**
4. My creative control is important to me. I decide when, where and how my writing graduates to become a published book.
5. Indie does not mean "alone." I choose my partners.
6. I shall not bow *beholden* or *subservient* to any publisher. In my business relationships, I seek partnership, fairness, equity and mutually aligned interests.
7. We indie authors comprise diverse writers unified by a common purpose to *advance, empower* and *celebrate* writers everywhere.
8. I am a PROFESSIONAL. I take pride in my work, and I strive to improve my craft to better serve my readers, myself, my fellow indie authors and the culture of books.
9. My writing is *valuable* and *important*. This value and importance cannot be measured by commercial sales alone.
10. I celebrate the success of my fellow indie authors, for their success is mine, and mine theirs. Together we are *pioneering a better future for books* marked by greater quality, creativity, diversity, choice, availability, affordability and accessibility.



MARK COKER
WWW.SMASHWORDS.COM





From this day forward

**all authors are indie
authors**

**Authors have the freedom to
choose self-publishing, traditional
publishing or both (hybrid)**



**Indie Authors Now Have
Democratized Access to the Tools
and Knowledge to Publish With Pride,
Professionalism and Success**

... as an indie author

... as a traditionally published author



**Indie vs. Traditional
should not
become a religious war**

Both options are worthwhile

**Both options make for a more vibrant
publishing ecosystem**



Benefits of Indie Authorship

- **Indie ebook author advantages**
 - **faster time to market**
 - **total creative control**
 - **more promotion flexibility**
 - **retain all rights**
 - **better distribution to global market**
 - **immortal ebooks never go out of print**
 - **Access to professional-grade tools**
 - **lower expenses**
 - **lower prices to consumers**
 - **earn higher royalties**



QUADRUPLE +



Indie Ebook Authors Earn Higher Percentage of List Price

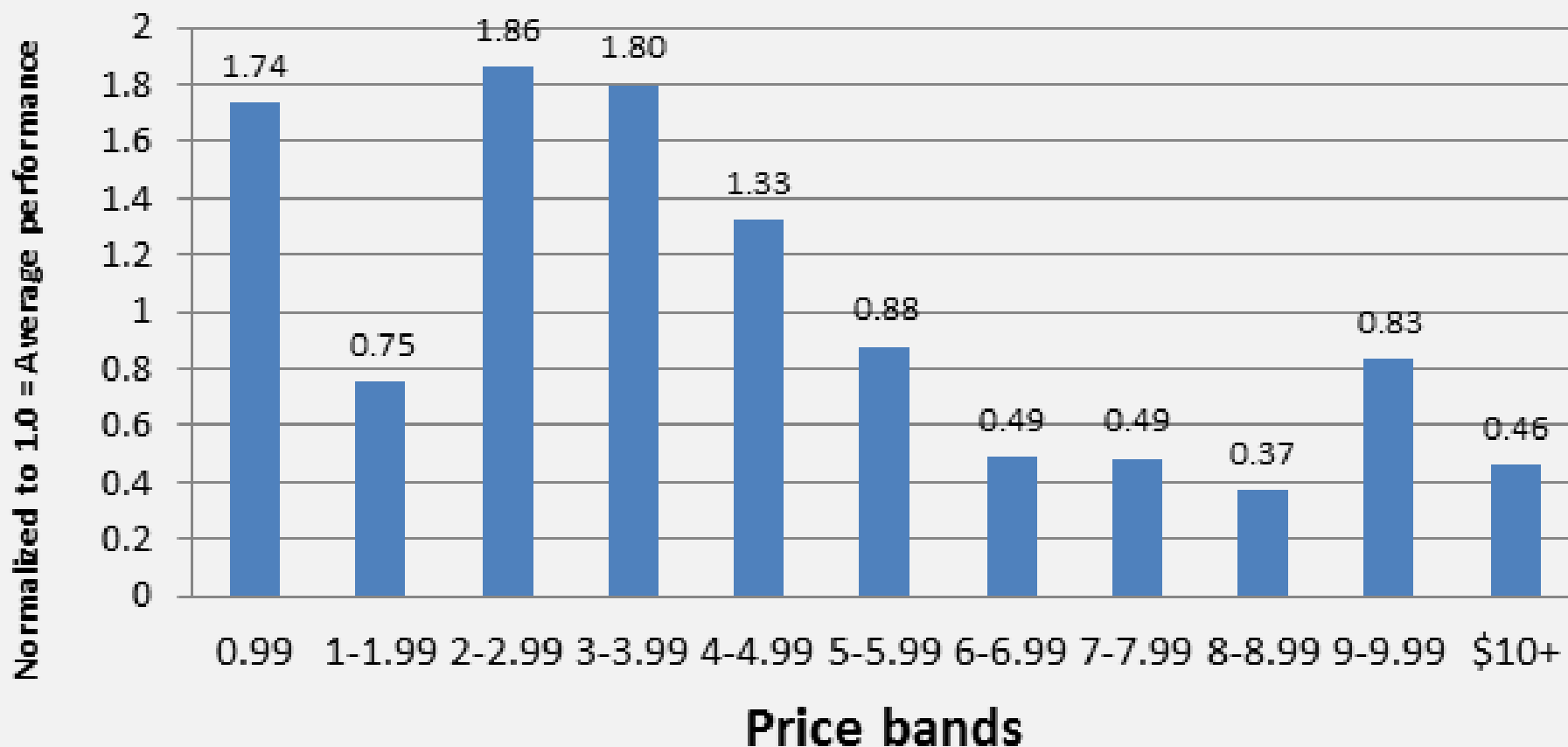
Indie	Traditional
60-80%	12-17%

- **Indies earn more at lower prices**
 - **At \$3.99, indies earn ~\$2.50. Trad. author would have to price at \$14-\$20.00**
 - **Lower indie price = reach more readers = more unit sales at higher profits per unit sold**
 - **Trad: Higher price = reach fewer readers**



Which Price Points Get the Most Downloads

Units sales at different price bands, normalized
(fiction & NF, excludes box sets)





TREND FIVE

**Indie Authors Hitting All the
Bestseller Lists**

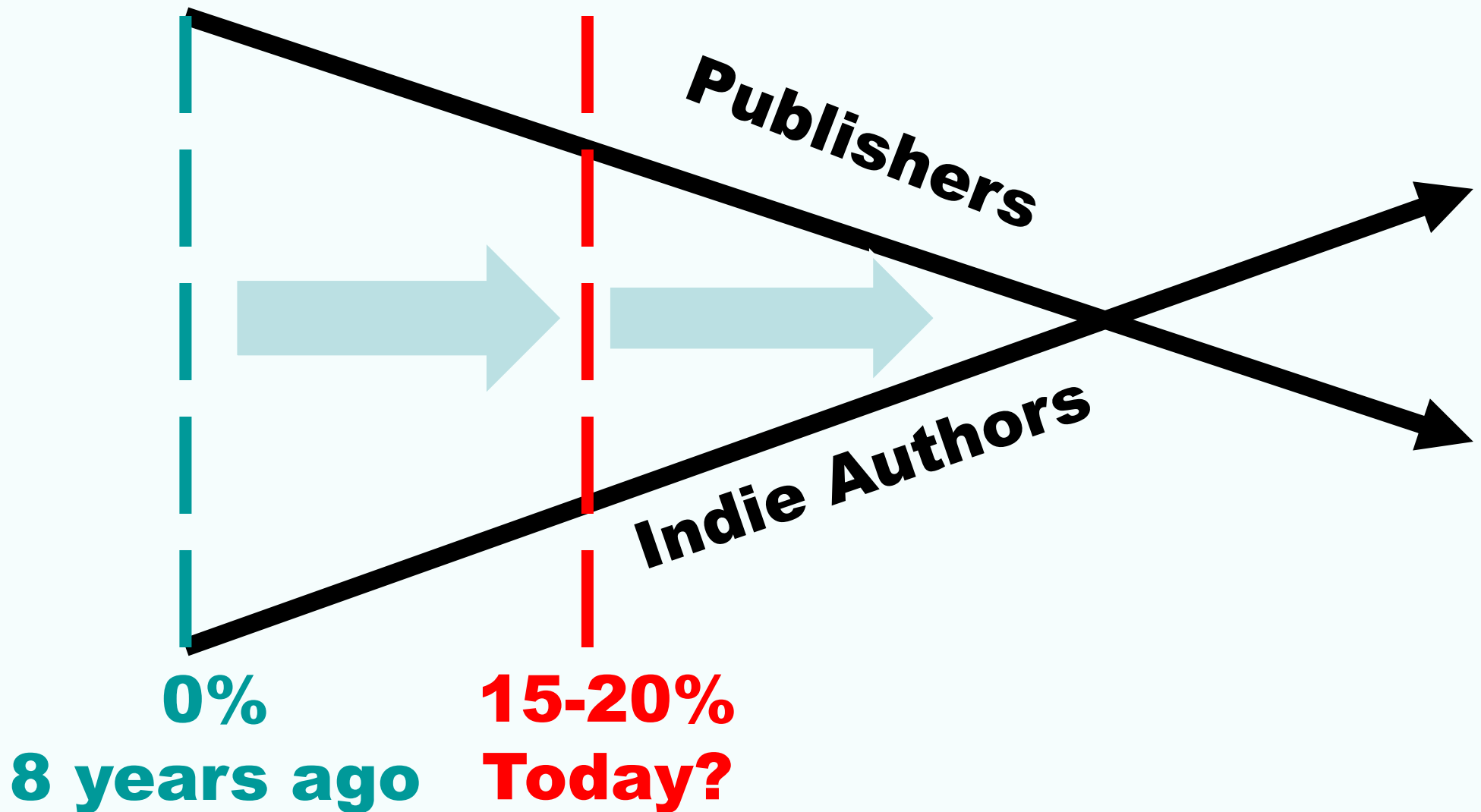


Indies are Now Out-Publishing Big Publishers

- **Self-published ebooks scaling all the bestseller lists**
 - **Every week, indie ebooks in retailer bestseller lists of every retailer**
 - **Indies hitting New York Times and USA Today bestseller lists each week**
 - **Some day, most bestselling ebooks will probably be self-published ebooks**



Indies taking ebook market share from traditional publishers



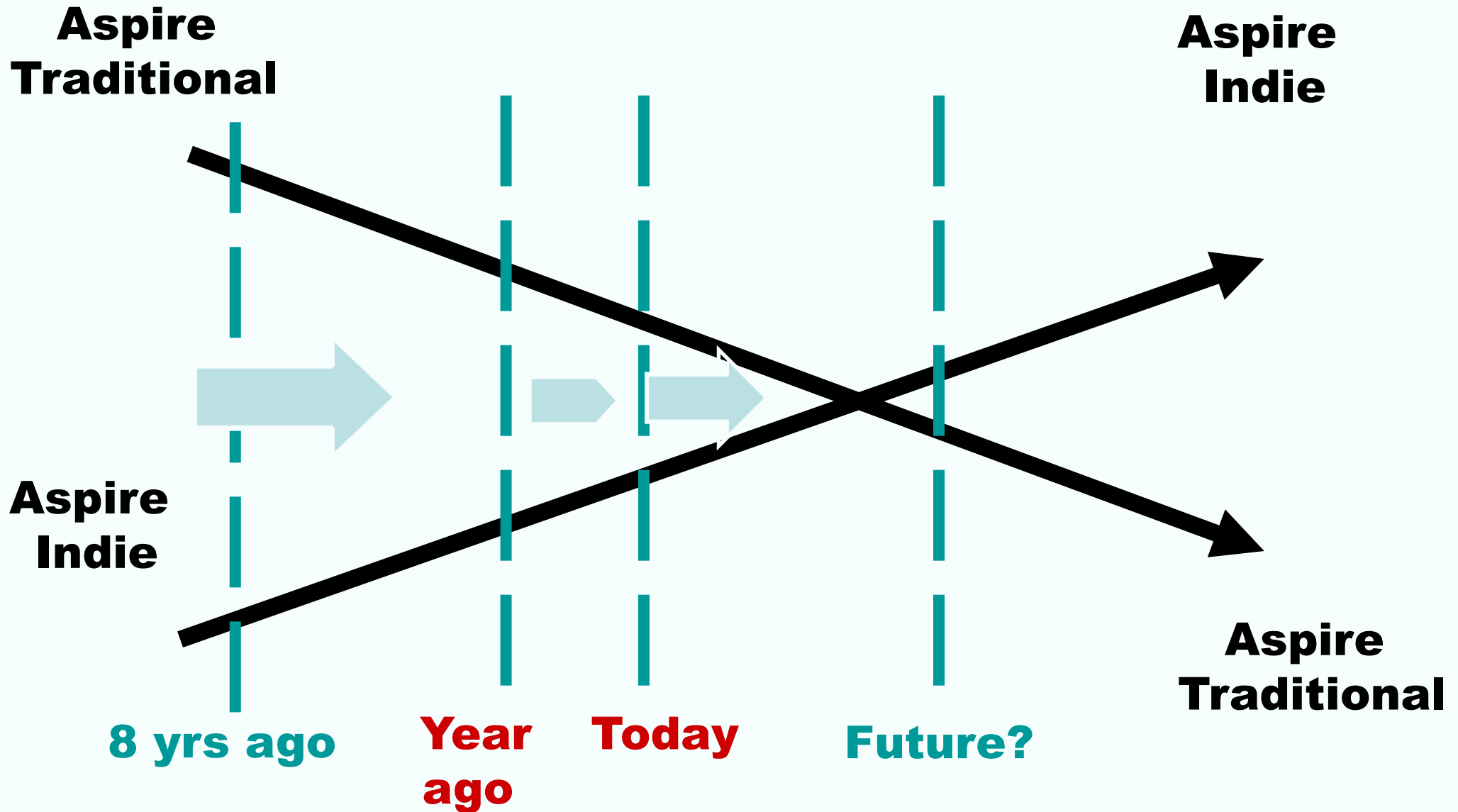


TREND SIX

The Previous Stigma of Self-Publishing is Disappearing



Stigmas reversing. Soon, most authors will aspire to be indie authors





Why stigma of self-publishing is disappearing

- **Can't argue with success and opportunity**
 - **Simply a better way than traditional for many authors, esp. romance and other genre fiction authors**
 - **Indies pioneering the best practices**
 - **Indie successes inspire next generation**



Hybrids Leaning Back to Indie

SMASHWORDS

THE OFFICIAL BLOG FOR SMASHWORDS, A DISTRIBUTOR OF INDIE EBOOKS

THURSDAY, FEBRUARY 26, 2015

Why Jamie McGuire Returned to Self Publishing



Writer Jamie McGuire joined Smashwords on July 31, 2011. That same fateful day, she became a published author when she uploaded three novels to Smashwords.

The first two were *Providence* and *Requiem*, books one and two in her three-book *Providence* series of paranormal romance.

She also uploaded a contemporary romance titled *Beautiful Disaster*. Maybe you've heard of it. *Beautiful Disaster* went on to become a massive worldwide bestseller and is regarded today as one of the most influential books in New Adult romance.

Beautiful Disaster was later acquired by Atria, a division of Simon & Schuster, which republished it

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Why stigma of traditional publishing is increasing

- **Publisher advantages diminished**
 - **No longer control the means of production and distribution**
 - **Low royalties**
 - **Print is becoming less important**
 - **Slower to market**
 - **Less price-competitive**
 - **Rights grabs**
 - **Authors love their books more than pubs love their books**
- **Vanity publishing missteps**
 - **Author Solutions has harmed reputation of all publishers, confirming worst fears**



TREND SEVEN

Glut of high-quality low-cost ebooks



The flood

- **Unlimited low-cost virtual shelf space means online retailers will shelve all books**
- **eBooks immortal - never forced out of print**
- **Rise of ebook self-publishing means everyone can publish**
- **When supply outstrips demand**
 - **authors/publishers sell fewer books on average**
 - **price competition ensues**
- **Traditionally published ebook authors suffering due to high publisher prices**



TREND EIGHT

**Amazon is exploiting the glut to
drive massive devaluation of books.
Kindle Unlimited is the tip of the
spear.**



Amazon's self-publishing strategy

- **Amazon's business model dependent upon**
 - **Low prices**
 - **Exclusive inventory**
 - **Disintermediation of anyone standing between the producer of the product (author) and their customer (their reader).**
- **KDP Select gives Amazon access to 1.3 million exclusive books**
- **Kindle Unlimited allows Amazon to dump these books on the market at below-market costs**
- **Competing retailers, lacking the inventory readers want to read, are losing customers as readers are forced to migrate their purchases to Amazon**
- **The result: We'll see more retailer failures, fewer distribution options for authors, and increased dependence upon a retailer whose very business model is predicated upon extracting concessions from suppliers to enable ever-lower prices for consumers.**



Indie authors face gun to the head

- **Amazon is leveraging their dominant ebook market position (70%+) to coerce and bully authors to go exclusive.**
 - **Gun to the head:**
 - **Go exclusive and we'll give you preferential tools, discovery and sales advantage**
- or -**
- **Go wide (distribute everywhere) and we'll bury your books**



The Ironic Dilemma

- **KDP Select – which powers KU - is almost entirely powered by indie authors**
- **Indies, facing the gun to the head, are surrendering their independence to one retailer by enrolling in KDP-S**
- **Will indies stand up and say no to exclusivity? Hold that thought.**



TREND NINE

**Kindle Unlimited undermining the
market for single-copy sales**



**With KU, Amazon is training the world's
largest community of readers to
consume books for what feels like
FREE**



Why buy a book?

- **Even \$.99 books start to look expensive**

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**Single-copy purchases at Amazon or
any other retailer start to look
expensive**



TREND TEN

**Indie authors are writing the next
chapter of this industry**



The Power Center in Publishing is Shifting from Publishers to Authors



Authors Decide When, Where and How They Publish



The collective decisions of authors in the next two years will shape the course of this industry for a generation



So, let's summarize the 10 trends

- 1. Indie ebook authors are capturing- and will continue to capture – an ever greater share of the ebook market**
- 2. The power center in the industry is shifting to authors**
- 3. Authors - decide where, when and how they publish - and will decide the fate of RETAILERS and PUBLISHERS**
- 4. Authors are surrendering their independence to Amazon KDP-Select. Every book enrolled in KDP-S is a vote to put all other retailers and publishers out of business**
- 5. Kindle Unlimited, powered by KDP-Select, is devaluing books and will gut the market for single-copy ebook sales**
- 6. Amazon's pure-play ebook retailer competitors, starved of books and customers, will fade or go out of business**



So you're probably wondering:

ARE WE ALL FUCKED?

**Are all we all just zombies leaving a
trail of unfinished adult coloring books
in our wake?**

My answer: I don't know

**What happens next depends on our
collective action**



We Americans lamented how Walmart was destroying small town businesses, yet we shopped at Walmart for the amazing prices and selection

We lamented how good-paying American jobs were moving to China, yet we satisfied our gluttonous appetite with cheaper Chinese imports purchased at WalMart

Amazon merely feeds our gluttony. Yet these low prices – and the devaluation – come at a cost as authors and publishers become relegated to the status of commodity producers – tenant farmers tilling Amazon soil



We all fed this beast

**Amazon's the pet tiger that started as
cute kitten. We knew it was a predator
that would grow up to eat us, yet we
fed it anyway**



How do we prevent this post-apocalyptic publishing future?

We need to tame it

We need:

- + Authors to say no to exclusivity**
- + Authors and publishers must develop alternative sales channels before it's too late**



Publishers must also reinvent themselves

- **The success of KDP-S (and SW too) is a result of publishers not meeting the needs of authors.**
- **Publishers must realign their business practices and culture to recognize that first and foremost, they are service providers to authors**
- **Publishers must abandon the culture of NO, and must learn to say YES to every author**
- **Publishers must work to integrate the best of self-publishing with the best of full-service publishing, and offer a full spectrum suite of author-friendly services, from DIY to full-serve**



Your keys to success

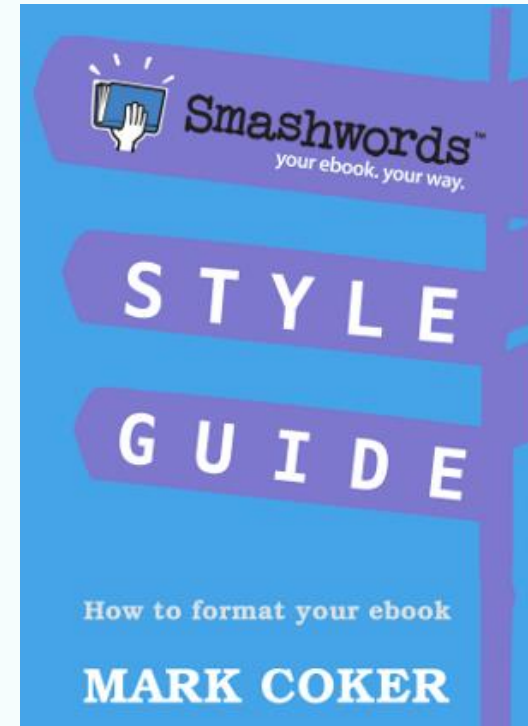
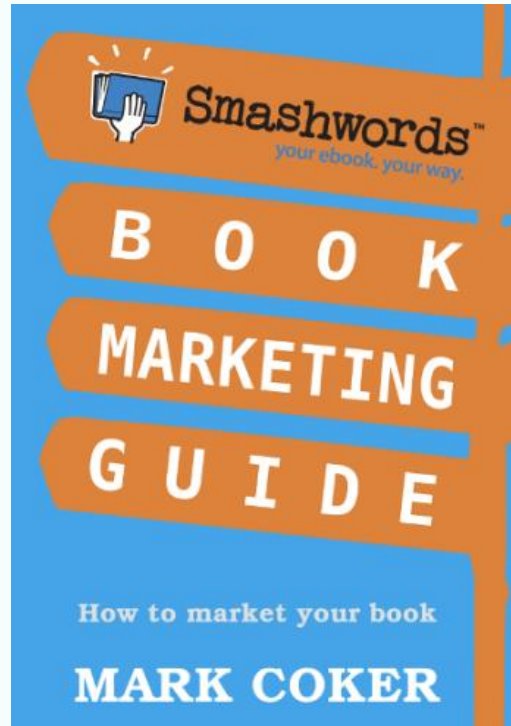
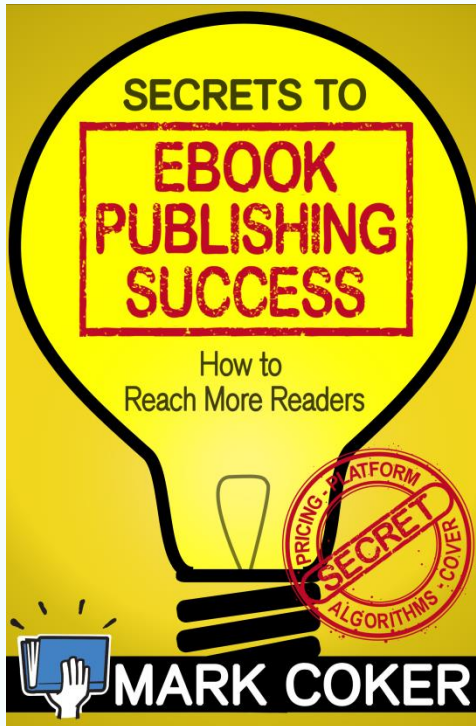
- **Think long term**
- **As an author, publisher or publishing services provider - say NO to those who would seek to steal your independence**
- **Fight for your right to captain your destiny**
- **Support a dynamic ecosystem of multiple competing retailers and publishing alternatives**
- **Don't self-limit your opportunity**



**Thanks for considering the future,
and thanks for considering how each
of our individual decisions matter
and will shape our collective future**



Free Ebook Publishing Resources



- [Secrets to Ebook Publishing Success](#) (best practices of successful authors)
- [Smashwords Book Marketing Guide](#) (how to market any book)
- [Smashwords Style Guide](#) (how to format an ebook)



Learn how to e-publish like a pro with Smashwords Tutorials at Youtube at

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An Introduction to Ebook Publishing

September, 2013

Mark Coker
Founder, Smashwords

1:42:22

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**Thank you for considering the
future!**

Q&A

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