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IT'S EASIER THAN EVER FOR AUTHORS TO PUBLISH THEMSELVES—BUT TOUGHER BY THE DAY TO FIND FAME. INSIDE THE RACE TO BECOME THE NEXT E.L. JAMES
BY ANDREW RICE



THE RT BOOKLOVERS CONVENTION IS AN ANNUAL FESTIVAL OF LUST, SISTERHOOD AND MARKETING, ATTENDED BY THOUSANDS OF WRITERS AND READERS OF ROMANCE FICTION. THIS YEAR'S EDITION, HELD IN CHICAGO, FEATURED NIGHTTIME REVELS WITH BARE-CHESTED

male models and seminars with titles like *Beyond the Bodice*. But to see its real, throbbing center of passion, you had to jam into a packed room where dozens of authors were talking mathematics: the profit calculations behind the digital-driven phenomenon of self-publishing.

"Romance is hot," said speaker Mark Coker, one of the few men in a room full of women—some dressed in character in 19th century finery. Coker is the founder and CEO of Smashwords, a Silicon Valley-based Internet company that allows authors to publish and distribute e-books directly to devices like the Kindle and the iPad. Like other digital entrepreneurs, he's discovered that there's a huge market in catering to female readers' desires. This year's most shocking literary success, E.L. James' erotic novel *Fifty Shades of Grey*, grew out of *Twilight* fan fiction and was first published by an obscure online start-up called the Writer's Coffee Shop before

becoming a viral e-book phenomenon, building a following through whispers and Web clicks. To Coker and his audience of would-be romance novelists, *Fifty Shades* wasn't just a titillating read; it looked like a harbinger of the future of publishing.

Once a frustrated novelist himself, Coker believes that authors no longer need traditional publishing houses to reach a large buying audience. He urges writers to be their own marketers and distributors, telling them to "imagine a book with dozens of knobs and dials" like plot, title and price. Each of them can be calibrated to capture one of the most powerful forces in publishing: the algorithms behind online book recommendations. His audience scribbled notes as he went through a PowerPoint presentation based on his sales data. It tracked everything from word of mouth to the optimal price for fiction—3¢ per 1,000 words, Coker said.

In the book business, doing it yourself

has long been considered an act of desperation. “When I first started thinking about a writing career, self-publishing was not what you wanted to do because you’d get a bad rap,” said aspiring author Beth James, a Minnesota state worker who road-tripped to the conference with a friend, a librarian interested in writing erotica. But Amazon’s introduction of the Kindle in 2007 completely changed the literary equation, allowing authors to approach readers directly while keeping a larger share of the royalties. Amazon says such books accounted for 30 of its top 100 sellers in October. Self-published titles now regularly appear on the *New York Times*’ e-book best-seller list; four were in the top 25 on Thanksgiving weekend, the beginning of the holiday book-shopping season.

Since 2006, annual production of self-published titles has more than tripled, according to the research firm Bowker, and it now tallies more than 200,000; within that category, e-book self-publishing is growing at a rate nearly four times that of print. To a growing movement of indie authors—many of them working in pulpy genres like mystery, fantasy and romance—self-publishing is no longer a mark of shame but a route to freedom, affirmation and a potentially vast pool of readers: buyers who are willing to risk a few dollars on an unknown author who doesn’t happen to meet the (often opaque and arbitrary) standards of traditional publishing houses.

At the convention, a middle-aged woman in a peach sweater raised her hand and asked Coker whether self-publishing was preferable to dealing with “New York.” Indie authors use *New York* as shorthand for the world of literary agents and editors—like *Moscow* in a spy novel, a seat of forbidding power. “The quality of information that is out there today is unprecedented,” Coker replied. “You have the ability to be a more successful, more professional publisher than most traditional publishers. You have the opportunity to go out there and control your destiny, set your own prices, experiment ... The secrets to successful publishing are being written by authors like you.”

The questioner, Sheryl Hoyt, walked out of the talk bubbling with excitement. Over the years she had completed five romance manuscripts, written on the bus to her full-time job in Seattle, over lunch breaks and on her couch after dinner. After years of struggling to interest publishing houses, she finally decided to go it alone, adopting a pen name—SaraLynn Hoyt—and uploading two novels, priced at \$3.99, to Smashwords, Amazon and

IT’S AN ARTICLE OF FAITH IN THE INDIE MOVEMENT THAT WRITING FICTION CAN BE A WAY TO GET RICH

barnesandnoble.com. “I can’t wait to see,” Hoyt wrote on her Amazon biography page, “what we all do with this newfound power next.”

The convention, held less than a month into her life as a published author, offered Hoyt an opportunity to learn, network and promote her books. A chatty, petite brunette, she arrived with thousands of glossy business cards bearing the voluptuous cover art for her books, *Dangerous Heart* and *The Scoundrel and the Saint*. She and her conference roommate, Deborah Schneider, dressed up in Victorian ensembles to grab attention at a book fair, where they handed out coupons for free downloads to a mob of romance fans.

By giving books away, the authors hoped to gain visibility and precious reader reviews, bumping themselves up in sales rankings and search results. Schneider tells me she was shocked when, via the mysterious alchemy of the algorithm, sales of her western-themed romance *Beneath a Silver Moon* suddenly took off last year. She made an Amazon best-seller list, where sales become self-reinforcing. One day Hoyt visited her friend’s house, and Schneider showed off her latest month’s proceeds: more than \$2,000, 70% of which she kept under Amazon’s revenue-sharing deal for self-publishers.

“I just went, ‘Oh my God, look at how much money she’s making,’” Hoyt says. “Now’s the time.”

The 70% Solution

LITERARY LORE IS FULL OF STORIES OF failure and discovery: high school English teacher Stephen King threw out his draft of *Carrie* before his wife plucked it from the trash; 12 publishers infamously rejected J.K. Rowling before one said yes to *Harry Potter*. But whereas years of



struggle used to be taken as a given for authors, it’s an article of faith in the indie movement that writing fiction can be a way to get rich quick. On websites like Kindleboards.com, the community exchanges encouragement and marketing tips, urging would-be writers to be masters of their own revenue streams. Sales figures and earnings, once a great unmentionable in the literary world, are openly discussed—even flaunted—as self-published writers measure their success.

So far, Hoyt told me at the spring convention, her proceeds were modest: she had sold 20 or so copies, netting about \$60. That left her far short of covering her up-front costs of publication, which included \$1,800 she spent to hire a freelance editor and a cover artist. But the convention marked the beginning of her serious marketing push. “I would love the slow boil,” she said. “This month 100 books, next month 200 books, maybe 1,000 books eventually.” It

Profits aside, though, every book Hoyt had sold represented one more reader than she would have had if she had continued to accept the publishing industry’s rejections. When I asked what went through her mind when she downloaded her first self-published book, *Dangerous Heart*, to her e-reader, she went quiet. “It was a euphoric feeling,” Hoyt said, choking up a bit. “It was like, all these years.”

The scenario for *Dangerous Heart* came to her in 2000 in a vivid dream, Hoyt says. She beheld a man and a woman, together in a box at the opera, locked in a tempestuous kiss. When she awoke, Hoyt began elaborating the scenario in her mind. Over a few days, she filled pages of a floral-patterned diary with excited notes about a story set in antebellum Philadelphia: a love triangle involving a heroine named Penelope Kinkaid, her wealthy fiancé and the roguish sea captain Cord Vandenberg. She foresaw her own romantic ending. “It

Romance novelist Bella Andre (real name: Nyree Belleville) has self-published 17 e-books and says she’s made \$2.4 million this year

is my destiny,” she wrote in the diary. “I will be published.”

When she finished the manuscript, Hoyt duly pitched it to agents and publishing houses in New York. Her great hope was that someone would pick her book off the “slush pile,” the industry’s name for its vast quantity of unsolicited submissions, and offer her acceptance in the form of a publishing contract and an advance—often as little as a few thousand dollars for a first-time romance novelist. But the lucky call never came. “I would get the rejections that you don’t know what to do with,” Hoyt tells me. “‘We loved your book, but...’” Spurned and disheartened, she gave up on writing.

This is where Hoyt’s story would have ended if not for the appearance of an unexpected rescuer—the Kindle—and with it a program that enabled writers to publish their own work. Amazon’s platform, Kindle Direct Publishing, offers writers more than just the immediate gratification of seeing their stories in print. It also gives them a more favorable split of revenue than traditional publishers offer.

Here’s how the math works. With Amazon, for books priced at \$2.99, self-published writers keep 70%, or approximately \$2 from every sale. That’s about the same amount they would get for an e-book sold at \$12 under the big publishers’ typical royalty model. The cheaper a book, generally speaking, the more likely readers are to take a chance on it, meaning more sales overall.

Amazon frequently touts self-publishing in egalitarian terms. “Even well-meaning gatekeepers slow innovation,” CEO Jeff Bezos wrote in his annual letter to Amazon shareholders last year, which recounted many rejection-to-riches tales. Skeptics, however, point out that the company has a stark business interest. For the past few years, Amazon has battled for control over pricing with major publishing houses, the so-called Big Six. The Big Six have argued that Amazon’s preferred e-book price point—\$9.99 or lower—devalues the product. Self-published books undercut the Big Six’s position even further, creating a bargain-bin marketplace at little cost to Amazon. And all those little sales add up: one study estimated that the traditional houses missed out on about \$100 million in revenue last year because of self-publishing.

The battle over digital pricing has sparked a Justice Department antitrust prosecution and is also likely to contribute to a wave of consolidation. Already, the two industry leaders, Random House and Penguin, have announced plans to merge, and analysts say the Big Six may soon dwindle to three, two or eventually just one major house. But even that may not be enough to shore up the publishers’ position.

“A technology has come along that is changing their business model, and publishers need to learn their place,” says mystery author Joe Konrath, an evangelist for self-publishing. “They were essential to the process, and now they are not.”

Mysteries of Amazon

“ISN’T HE AMAZING?” HOYT SAID AS KONRATH swaggered through the convention, wearing a black shirt adorned with shiny skulls and crossbones. Rotund and profane,

STARS OF THE DIY-PUBLISHING ERA

**E.L. JAMES**

(Erotica)

Her *Fifty Shades of Grey* novels started off as racy *Twilight* fan fiction; today many see them as the model for a publishing revolution

**JOHN LOCKE**

(Thrillers)

Author of a series featuring a former CIA assassin named Donovan Creed, Locke was the first self-published author to sell more than a million e-books on Amazon

**AMANDA HOCKING**

(Young adult)

In 2010 this 25-year-old Minnesotan began self-publishing her vampire novels; one year and more than a million sales later, she signed a multimillion-dollar contract with St. Martin's Press

**J.A. KONRATH**

(Mystery/horror)

A leading evangelist for self-publishing, he's as famous in self-publishing circles for his attacks on the Big Six publishing houses as for his books, many of which star a hard-drinking female detective named Lieutenant Jacqueline "Jack" Daniels

**RAINE MILLER**

(Erotica)

She currently has two *New York Times* e-book best sellers, including *All In*—which had the good fortune to come out the day the David Petraeus sex scandal broke; it shares the title of Paula Broadwell's book about the general

he cut a Falstaffian figure, swigging from large bottles of flagrantly expensive beer and preaching a message of militant self-reliance. "I am rich!" he declared at a presentation where he was joined by a collaborator, thriller writer Blake Crouch.

"What did you make so far this year?" Konrath asked Crouch. Crouch mumbled a number. "\$150,000 this year," Konrath announced, "and it's April!"

Konrath and his cohorts often trumpet such sales figures—which are plausible but impossible to confirm, given Amazon's secrecy about data. "I'm not doing it to brag," he later explains in an interview. "I'm doing it to show authors, Look, we now have a choice. We are no longer at the mercy of gatekeepers."

Konrath was one of those writers who spent years chasing the possibility of a publishing contract before an agent found one of his novels in the slush pile. He signed a publishing deal with Hyperion Books, but despite great effort never became a best-selling star, and Hyperion dropped him. When another contract, with Grand Central Publishing, came to a premature end in 2010 after his editor refused to publish a horror novel without major changes, Konrath went independent. He calls self-publishing a "peasant uprising," and his rants against the industry have won him a vociferous following. Inside the publishing industry, many see him as embittered. "A lot of the people who are debating [self-publishing] are people who didn't have the success that they dreamed of, who are

disgruntled," says Jamie Raab, the head of Grand Central, a past target of his vitriol.

Konrath, who this year wrote a blog post addressed to the industry with the headline *AMAZON WILL DESTROY YOU*, makes no apology for picking a side. "We've all been in abusive relationships," he says, "and now we're with somebody who says, 'What are your needs and how can we better meet them?'"

There's no doubt, though, about who's the dominant partner. Although it has competitors—Apple, Barnes & Noble, specialized start-ups like Smashwords—Amazon rules the self-publishing world, and indie writers give it their ardent attention. Konrath and his comrades have come to the conclusion that traditional methods of marketing—interviews, book tours—have little influence compared with the hidden workings of Amazon's algorithm, which uses customer behavior to produce buying recommendations and search-engine results. If you are a young-adult writer, for instance, your fantasy is a link on the *Hunger Games* page. But even the most successful self-publishers aren't sure how you get there. "Amazon is a really good name for it," Crouch says. "Because it is vast and mysterious and really ultimately unknowable."

Though no one outside Amazon can say for certain, it appears that the algorithm heavily weights recent sales, and sites like Kindleboards are full of tips for gaming the system. The easiest involve offering a book for 99¢—a price that generates little revenue but is great for promotion—or

giving it away free via the Amazon Prime loyalty program, which can catapult a book up the rankings. The big prize is a place on Amazon's overall top-100 list.

Similarly important are buyer reviews, which seem to affect the all-powerful algorithm. Inventive authors have discovered many ways to obtain positive ones, with some going so far as to pay companies to generate five-star raves. "The idea that people are trying to understand how the system works and figure out how to amplify the signal for their books is not new," says Russell Grandinetti, Amazon's vice president for Kindle content. Traditional publishers, for instance, have long paid booksellers like Barnes & Noble to feature new releases on the front tables of stores. While Amazon generally keeps its distance from the algorithmic speculation, like a parent presiding over a treasure hunt, it polices the avaricious extremes of the market.

Some self-published authors, for instance, have dispensed with the bother of writing; instead they plagiarize, or they repackage works in the public domain, sometimes under titles that are similar or identical to those of current best sellers. A subculture of Internet marketers, gathering on websites with names like Warrior Forum, trade in private label rights—generic content that buyers republish under their own names, the same way Safeway markets its own brands of beans. "I don't like to write. I actually hate writing," a private-label-rights guru says in a YouTube training video posted last

FOR ALL THE ASPIRATIONAL RHETORIC, THE CHANCES OF SUCCEEDING AT SELF-PUBLISHING ARE AS DAUNTING AS THOSE OF BEING DISCOVERED IN THE SLUSH PILE

January. “I still have over 450 books on Kindle.” Amazon tries to ban those who purvey such spam content, a sanction the marketers call the “Kindle slap.”

Publishing executives say their refined taste protects readers from such spam. Konrath scoffs at what he calls the “tsunami of crap” argument, pointing out that physical bookstores have always been filled with lousy novels. The teeming online marketplace, he contends, is far better at determining reader preferences than some solitary book editor.

“Quality,” he says, “is a rigged question.”

The Cost of Going Solo

YOU DON'T HAVE TO BE A SNOB TO WONDER, though, how anyone who makes a living at self-publishing can find the time to write a decent book. Back in March, I met one of the indie movement's biggest sellers, romance novelist Bella Andre, at a café in San Francisco. A cheerful motormouth with a Stanford economics degree, she tells me how losing a Big Six publishing contract spurred her to create a thriving small business. Since 2010, Andre—whose real name is Nyree Belleville—has self-published 17 e-books, many of them from her backlist of old novels, to which she retained the digital rights. She claims she has sold over a million copies so far this year, making \$2.4 million.

Besides writing, Andre, who is 39 and has two young children, now spends much of her time on functions once performed by her Big Six publisher. In addition to her flagship brand, “steamy romance,” she manages a chick-lit line under a different pseudonym and a new children's series by her husband. She does all her cover art herself because she thinks she knows her product best; writes the back matter; publicizes her work via e-mail, Facebook and Twitter; oversees translation for foreign markets; plays with pricing; and travels to speak at events like the London Book Fair. She

says she writes 2,000 words a day, relying on “beta readers”—writer friends—to give her editorial guidance. She estimates that she works about 70 hours a week.

“It's crazy, and I don't get a lot of sleep, but I've worked, like, eight years to be in a position to be a writer who has a huge fan base,” Andre says. “I feel like I'm young enough and ambitious enough to just go, go, go, and I'll sleep later.”

Few writers, though, can match Andre's superhuman drive. The publishing industry may be cruel to outsiders. But to those it invites in, it offers comforts, including a degree of insulation from the risk of failure. Most books lose money: the rule of thumb is that the one in 10 that becomes a hit pays for the nine that don't. But authors generally get to keep their advance regardless, meaning that in the vast majority of cases, they come out modestly ahead even if their book bombs. With self-publishing, writers can earn larger royalties, but Amazon takes no share of the risk; 70% of zero sales equals zero profit.

As new authors have overrun the self-publishing marketplace, some have turned back to traditional publishers. Amanda Hocking, one of the first indie writers to sell more than a million books, signed a \$2 million deal with St. Martin's Press and has written on her blog about the joys of delegating marketing and promotion. After *Fifty Shades* built its popularity through word of mouth among suburban moms, a Random House imprint snapped up James with a seven-figure contract, put paperback editions in every airport bookstore and sent her on a publicity tour.

A few months after we met, Andre announced that the publisher Harlequin had paid her more than \$1 million to publish a seven-book series in paperback—a deal that she said made “perfect sense” because it allotted her the digital rights while allowing her to reach the still huge print

readership for romance. While Andre says she's still committed to self-publishing, even some of the most fervent indie proponents confess that they are nervous about their long-term security. “I'm really wondering where we're going to be 18 months from now,” says Bob Mayer, who claims he sold 600,000 copies of his military novels last year. “If it happened so quickly, it can unhappen.” Even Konrath has hedged his bets, by signing a contract to publish some of his novels via a new Amazon-run publishing imprint. “When Amazon pushes a book,” he says, “the book excels in ridiculous numbers.”

For all the indie movement's aspirational rhetoric, the chances of succeeding at self-publishing are just as daunting as the odds of being discovered in the slush pile. If anything, the chances of publishing that rare blockbuster grow more remote every day as more stories flood into the market, competing for a finite amount of reader attention. You can glimpse the harsh truth in countless posts on indie message boards, lamenting low sales. Or you can see it in a graph that Coker prepared, analyzing the top 50,000 Smashwords titles. It looks like a nearly perfect *L*, with only the tiniest sliver selling more than a handful of copies.

Sheryl Hoyt saw that graph, but it didn't deter her. Shortly after she returned home from the conference, she was thrilled to find that her promotional efforts had borne fruit in the form of a four-star review for *Dangerous Heart*: “Could not put it down!” Still, she had a guilty sense that she should be doing more, working the marketing game and monitoring sales. “I'm not one of those people who are pushing the button all day,” she says. “I have a full-time job and a full-time husband and full-time cats.” In October she published her third novel, the Victorian romance *Heaven Made*. By November, after nine months as a published author, Hoyt had sold a total of 291 books, including more than 100 free downloads, earning \$352.79.

Hoyt says the numbers matter less to her than her words, though. Publishing can be humbling, but it is better than keeping her stories to herself. She is thinking about writing her next book, which was inspired by another dream. “I can see it in my head,” Hoyt says. “There's two women and a guy, and there's a relationship between him and one of the women, and the other woman, the heroine, they are going to fall in love somehow, and it's going to be a problem.”

“There's a ship,” she adds. “It kind of feels like the *Titanic*.” ■