

## The Economics of Publishing *'I Shall Not Be Away Long'*

**AIM:** to give an idea of how I've come up with a book price of £29.50 for this book.

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### Setting a book price

This book may not have as big a page size as my first book (it's three-quarters the dimensions) but it has over twice the number of pages. My first book has a recommended retail price of £22 but if this book was £45, how many would buy it? My guess is 'not many'. I wanted to keep the price under £30 so that people were more likely to buy it and read it. As you will see in this document, the only way I can do that and have any chance of a return is by selling directly through my website.

### Costs of selling via the different bookselling routes

If I set the Recommended Retail Price (RRP) at £29.50, this is the breakdown of what I get back by selling via different bookselling routes:

<b>Bookseller</b>	<b>Discounts and fees taken</b>	<b>Money that comes to me before deduction of production costs and transport/P&amp;P</b>
Amazon	60% of RRP (plus you have to pay transport to them)	£11.80
Waterstones	50% of RRP (plus you have to pay transport to their distributor)	£14.75
Other High Street bookshops	Might go as low as 40% of RRP (plus you have to pay transport to them)	£17.70
Amazon marketplace (where it is just listed and I post out the orders)	50p per sale (£1 from January 2021) and 15% of item price (plus flat fee given for P&P is £2.80 which is not enough to post this book)	£26.95 (out of £32.30 = £29.50 + £2.80)
My website	Paypal fee for payment transacton = 30p per sale and 2.9% of payment amount	£28.44

As you will see from the later discussion of the costs of production, at this RRP any method other than direct selling would lead to me making massive losses. So I am setting the full RRP at £45.00 in case there are any bookshops that do want to stock it (at 40% discount my return would then be £27.00 per book before deduction of production costs & transport/P&P), but the price I am selling it for on my website is £29.50 including P&P.

### **Postage & Packaging**

This is a big heavy book and via Royal Mail it has to go as a small parcel = £2.95 for UK delivery, plus £1 for the cardboard book wrap. However that price is for if I post the books out myself individually. When posting a lot at once (as will be the case when sending out the orders immediately after printing), I need to contract my printers to send them out in bulk which costs me about another £2 per book – i.e. a total of about £6 P&P per book.

Posting out multiple copies does not bring a discount because:

- It would require different book wraps to fit more than one copy of the book
- The increase in weight means the parcel changes from a small parcel to a medium parcel, so:
  - 2 books in a parcel would cost £8.97 to post (i.e. nearly 3 times the postage for 1 book)
  - 3 books in a parcel would cost £20.25 to post (i.e. nearly 7 times the postage for 1 book)

The prices which include postage to outside of the UK reflect how expensive it is to post out such a big heavy book (prices to the USA have particularly shot up recently). I am offering a surface mail option if you are prepared to wait. It's also the case that because arranging foreign postage is a bit more complicated and I have to fill out the necessary customs declarations, I will be posting them out myself rather than getting my printers to send them.

If I am posting individually to booksellers to sell on, I have to pay these same postage & packaging prices for each book I send to them. The transport costs come down only if booksellers or distributors order in bulk, which is unlikely given how few people will want to buy the book at the full RRP of £45.

### **Printing & Binding costs**

Printing and binding such a big full-colour book is not cheap. For the best quality, it is necessary to use the litho printing process with a sewn binding. The set-up costs are much more than for digital printing with a glued binding, so you have to print in enough numbers to bring the unit price down. For this book, the costs are as follows:

<b>Number of books</b>	<b>Production cost per book</b>	<b>Profit per book if selling through my website and posting in bulk (@ £6 a book)</b>
500	£28.16	Loss of £5.72 per book
1000	£17.87	Profit of 4.57 per book
1500	£14.46	Profit of £7.98 per book
2500	£11.65	Profit of £10.79 per book
4500	£9.74	Profit of £12.70 per book

You can multiply things up yourself, but if I only print and sell 500, I am looking at a loss of £2,860 – and it's only getting towards 1000 books that I start breaking even - and that is not counting all the other costs involved in publishing a book, as below.

A mainstream publisher would print in large enough volume to bring the unit cost down into a zone where they could make a decent profit – but they have a bigger marketing reach to produce the

necessary sales, and also access to the money to do bulk printing (have you got a spare £44,000 to print 4,500 copies?). They can also get things printed in places like China at lower cost. That said, they have higher overheads than me working on my own and tend to only pay authors 10% of profits (i.e. tens of pennies per book rather than pounds).

### **Storage costs**

Any books that I have not sold need to be stored. If it's a small amount, I can have them at home and post them out myself but any large numbers need to be stored at my printers at a cost of £30 per week. This is a major factor in deciding how many to print and why it makes sense to take orders in advance of printing, as I am doing with this book.

### **Other costs**

- **Research, writing & lay-out:** Work towards my first book took 21 years and cost more than I can say – and the research for that fed into this. I've directly spent 3 years on this book. As well as thousands of hours of work, the last 3 years have included the cost of genealogy database subscriptions, the purchase of civil registration certificates & wills & army records & old books/postcards/magazines, and travel to archives (including 17 visits to the National Archives) & cemeteries & churches, with two trips to France (including a whistle-stop tour of the battlefields when I slept in my car), to a sum total of over £6,000 (not including my time).
- **Running an office:** including computer, software, heating, electricity, phone, internet, website & email hosting, & online data backup storage – it all adds up.
- **Image rights:** I tried to use images that were out of copyright or for which the rights holders were willing to waive any fees when I told them I was self-publishing but the National Portrait Gallery and the Imperial War Museum aren't interested in helping the little guy and I had to pay £342 for the use of 6 of their pictures. If I sell in significant numbers I will have to go back to some rights holders and pay them fees.
- **Complimentary copies:** these need to be given to some supporters of mine without whom this book would have been impossible, as well as to certain archives who provided images and 5 copies will go to the UK copyright libraries (British Library, National Library of Scotland, National Library of Wales, Cambridge University Library, and the Bodleian Library at Oxford). Along with copies to be sent out for review and those given as prizes in competitions, this could total between 30 and 50 copies.
- **Publicity:** I'm doing my own website design but will be paying for a publicist and some mailshots by email and by post.

### **Closing Thoughts**

I hope you can see that independently publishing a book is a difficult and risky balancing act, particularly when producing such a high-end book as this. There is no way of ensuring a return on the investment of so much time, effort and money. I have only been able to work on this due to the generosity of my parents and my cousin Val and I am hoping for the support of the kind enthusiasts who made so much possible with my first book. Of course one doesn't do this sort of work purely to make a profit, but it would be good to make some sort of return so that I can continue in my work.

One thing that I hope is clear is that in buying directly from me you are getting the best deal I can give you and that I am enormously grateful for your support.