

## DISRUPTIVE INNOVATION

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“The reasonable man adapts himself to the world; the unreasonable one persists in trying to adapt the world to himself. Therefore all progress depends on the unreasonable man.”

**George Bernard Shaw**

### PARADIGM SHIFTS

At one point in time, people believed the world was flat and the sun to orbit it. This view changed with advances in technology. Technology tends to change everything, and often quite dramatically.

At a previous point in time music was distributed on the medium of vinyl disks (records), which were obsoleted by the advent of magnetic tape (8-tracks and then cassettes), which then were rendered extinct by the digital age of compact disks (CDs and DVDs), which is even now falling prey to the virtual medium of downloaded music files simply loaded into various digital players (iPods, Zune, and other MP3 players). With movies it's been much the same. The last generation's Betamax and subsequent VHS videotapes are all but extinct in the wake of DVDs, which can already bear witness to their own successor—video on demand—moving to greater and greater prominence with each passing day.

Consider how many newspapers and magazines have declined in circulation or been put out of business entirely because of the Internet's and cable television's 24/7 access to limitless information. Stock brokers don't make thousands of dollars per transaction any more to facilitate a single trade for a client. In fact, contemporary investors make their own trades online for a few dollars, regardless of transaction size. The next major industry soon to be felled by the axe of online based technology, obliterating thousand of dollars in “traditional” commissions and service fees will surely be the Real Estate industry. It's already happening.

Likewise, the written word is not immune to the evolution of technology, and clinging to the pillars of the past is not only inefficient for an aspiring author, ignorance of it can spell professional disaster. Nevertheless, like all its media cousins, the production of literature, periodicals, and print journalism, along with its entrenched sales and distribution infrastructure, are fighting vehemently to maintain and perpetuate the old models and paradigms, but they will, in the end, surely be just as unsuccessful and the manufacturers of VCR machines and cassette tapes. It is inevitable. However, change isn't necessarily a bad thing. For in each of these examples, for the direct benefit of the end user, the book-buying consumer, the product and/or service delivered results in greater choice, higher quality, and reduced cost.

Let's look at the production and sale of books in particular. The truth is, the old model just wasn't “extensible” enough to handle the volume of production and consumption of the worldwide market. The old paradigm consisted of a few “gatekeepers” deciding what small number of books would be produced in high volume for the market as a whole. Those books were distributed by middlemen gatekeepers to be sold in physical bookstores to consumers. As long as a bookstore carried that small number of new titles released by the gatekeepers, inventories were relatively easy and straightforward to manage, and all was fine. But then along came Amazon.com.

At its inception, all of the “experts” said Amazon.com would never catch-on, never replace the book-buying habits of consumers who cherished the browsing experience of the bookstore. Yet today, even as the major retail chains line Barnes & Noble and Borders, who have put many mom & pop independents out of business with the callous efficiency of a Wal-Mart, according to the *LA Times*, even they showed a slip in sales over the most recent 2006 Christmas season—while Amazon sold \$1.25 billion in the same period, which represents a 21% increase over the previous year. The rationale for this shift to online buying versus going to a physical bookstore is clear: a physical bookstore, no matter how large, can’t afford to physically stock all the books currently in print. Amazon can.

Print-on-Demand (POD) digital printing technology has opened even more doors, albeit not all of them good ones. POD printing allows any title to be printed in any quantity, perpetually, so there are never any issues of a title being Out-of-Print or on backorder. It’s always available, forever. There is no physical inventory to stock, and materials are only required for production when a customer wishes to purchase one. POD books are also easy to revise and update without obsoleting any existing inventories. Traditionally offset printed books that are *not* also available via POD, if not perennially top sellers, are typically Out-of-Print quickly (in a matter of months), and their only availability thereafter is via secondhand bookshops, if at all.

However, in the eyes of the consumer, the greatest limitation of POD-based books at present is the time it takes to physically print a purchased copy and ship it. There’s no instant gratification of having the book immediately in-hand to read at the time of purchase. While this window of time has been decreasing in recent years, it’s still there, measured in days. The second most evident limitation is one of cost. POD based books have an underlying production cost of about twice what it costs to print books on offset presses in high volume. This can lead to short discounts to bookstores, lack of returnability, and other issues. Thus, the additional cost is often passed on to the consumer in terms of a higher retail price, who usually refrains from purchase if the price is too high and non-competitive with market norms.

Ironically though, with an industry average return rate of over 50% for offset printed books, the math tends to even out somewhat on the production cost side for the publishers. That is, if an offset printed hardcover book costs \$4.00 per copy to print 2,000 copies, and the same book printed digitally costs \$10.00 each. If the publisher only sells 1,000 of the 2,000, their unit costs was really \$8.00 each ( $\$4 \times 2,000 - \$8,000$ , divided by 1,000 sold = \$8 each), plus the cost of warehousing, managing the inventory, etc. So the two production methods are not that far off in terms of real costs versus on-paper costs.

And then there are the other mediums of books to consider, specifically Audio Books and eBooks. Each represents a different user community, but they are becoming more and more ubiquitous. High compression MP3 technology has made the Audio Book much more practical, i.e. fitting an entire novel on one physical disk as opposed to six to ten in previous audio file formats.

With eBooks in particular, they tend to be the most economical of all (especially since it’s only a downloaded file, not a physical commodity), and can be enjoyed instantly, so the instant gratification element is there—*if* one is willing to read a book on some form of a display device. Therein lies the rub for eBooks.

Yet the cries of, “No one wants to read a book on a computer,” sounds strangely familiar to the refrains of yesteryear, such as “No one will *buy* books online from Amazon.” Undeniably, technology

does cause behaviors to change. For some that comes faster or slower than others, but change does come. How many of our parents or grandparents, who never grew up with personal computers at all, now have one and use email, shop, or even pay their bills online quite regularly? Did you notice that landline phones are quickly becoming extinct in the digital cell phone age? Did you notice the convergence of cell phones with personal digital assistants (PDAs) and music players and browsers for Internet access? They're already here and becoming more feature rich all the time.

So is it unreasonable to conclude that when it comes to the art of storytelling, in its written form, these stories will yet evolve into whatever the current medium of communication happens to be? It would be the height of naivety to conclude otherwise, and nothing short of stupidity to deliberately ignore it. The wise choice would be to embrace the paradigm shifts in play at any point in time, and get on the leading edge of some if possible, to figure out how to leverage them for maximum effectiveness.

## NEW WAYS TO SKIN THE CAT

The upside of technology's contribution to book publishing has been easier access to production and worldwide availability of more and more stories via the Internet. The downside is that it lets just about everyone bypass all the gatekeepers and play in the market, many of whom have no business playing. As Michael Crichton aptly pointed out in his novel *Jurassic Park*, with respect to cloning dinosaurs, "Just because you could doesn't mean you should."

Digital POD printing technology is also what opened the door to thousands of vanity presses, preying upon the multitudes of wannabe writers, indeed causing their works to exist in book form, but offering little to nothing in the way of actually creating any demand for those new consumer products nor governing the quality of what's produced. For many self-published works, the end result is exactly the same, a poorly crafted product with no viable market or means of creating demand for it. Believe it or not, on average, there are approximately 465 new titles released *each day*. And the numbers show that the sales of most of those books never break 100 copies—basically they're sold to friends, family, and various acquaintances. Actually, according to *Nielson Bookscan*, less than 2% of all titles published ever sell over 5,000 copies. This is clearly a case of far greater supply than demand.

Thus, the pendulum has swung to the opposite extreme. Before, a small handful of gatekeepers determined what everyone could buy, which equaled far fewer choices and finite availability, but higher volume sales for those choices. Now there are unending choices, so much so that for the consumer it has become an overwhelming task to make a choice. For an author, in the past, the challenge was being allowed "in the club." Now it's no longer a matter of being in the club, but rather being noticed in a crowd as vast as the sea.

This reality has created a new behavior catalyst on the part of the consumer. They can simply opt to purchase within a narrow comfort zone, such as favorite authors or from an industry-dictated "best-seller" list; but if they are in the mood for something new and fresh, they've got to start sifting and sorting through all the zillions of choices to find what interests them. For nonfiction titles, this is a bit easier, since searching by a specific topic is a fairly straightforward exercise. If you're interested in learning about "Bigfoot," you can go to Google or directly to Amazon and search on that word. You'll get a results list to further sift and sort until you discover what you're looking for.

For fiction titles, this exercise becomes much more complicated, if for no other reason that in any category of fiction there will literally be tens of thousands of choices, if not hundreds of thousands. The normal behavior for most consumers is not to review thousands of choices before making one, but rather to begin at the top of the results list and move down it until something interesting and appealing is found. For the authors, that means a thorough understanding of how Search Engines work and how information is weighted and categorized within them in an absolute must. Just because your book is listed on Amazon.com doesn't mean anyone in the world other than you knows it's there. Like any retailer, Amazon exists to fulfill demand, not to create it.

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I'm often asked if the "reviews" on a book's product page at Amazon helps increase sales. My answer is always: A good review may help a buyer make the decision to buy your book *after* they get to your book's product page, but it will do little to nothing to help them find that page to begin with. Something else must have happened first to cause them to look for your book. In a nutshell, the main thing that needs to happen in order to get someone to seek out your book's product page at Amazon, or on your publisher's website or any other website, is to hear about it and connect it with some topic or idea of interest.

So where do the multitudes of book buying consumers hear about new books and new authors of interest? Answer: everywhere they normally go for new information. Online, this can be anything and everything from popular websites, to blogs, to social communities (MySpace, YouTube, Second Life, et al), and popular topic-related online forums and chats.

This truth necessitates the 21<sup>st</sup> century author to become somewhat of an expert at website content maintenance, Blogging, pod-casting, optimizing their websites for search engines, and every new technological innovation that comes along. And, of course, all of these things involve using new, and perhaps unfamiliar technology—which means venturing outside of one's comfort zone, and therefore not a natural or comfortable act. Then again, so did learning to use a computer in the first place. Every profession has its own unique learning requirements. These are simply some of the new ones for the authors of today and tomorrow. It is all really that hard? No, some of it is simply a matter of replacing ignorance with a little knowledge. For example, if you have a personal website, and also happen to use Microsoft FrontPage to create and publish your web pages to it, your search engine results will improve if you add Meta Tags for a list of pertinent Keywords. How do you do that? It's pretty simple:

1. Open your Index or Home page.
2. Right Click anywhere in the main body of the page.
3. On the menu that comes up, select "Page Properties"
4. When the dialogue box opens, select the "Custom" tab.
5. In the top section for "System Variables (HTTP-EQUIV)", click the "Add" button
6. A smaller second dialogue box will open with two fields. In the first field under "Name" type the word, "Keywords."
7. In the "Value" field, type in as many words as you can think of, separated by commas, that are pertinent to your writing (e.g. mystery, thriller, detective, novel, book, books, etc.)
8. "OK" your way out of everything.

You can do this on every page of your website (hint: write out your list ahead of time elsewhere and copy it, then paste it into the value field wherever you need to). If you do this, when Google's and Yahoo!'s Bots and Spiders come to your website each day, they will vacuum up this information and use it to index the relevance of your website and specific pages. Hint: don't put any non-applicable words that you think people might be searching for like "Pamela Anderson." They're hip to that trick and will actually penalize you for doing so.

In your blogs—yes plural, and you should have several, all linked to each other and your website—make frequent use of the top two or three topical words that best apply to your writing. Example: "My new vampire novel was released this month, which is my second vampire novel, which involves many vampires interacting with other vampires, and it details the dark life of the vampire community, primarily as seen through the protagonist vampire..." The search engines will get the idea that your site has something to do with "vampires."

Another suggestion for you FrontPage users: After you've added the Meta Tags as instructed above, hit the "Code" tab down in the bottom left hand corner of your screen (i.e. leaving the Design mode), which then shows you the actual lines of HTML code that comprise your web page. Look at the top of the page of HTML code and you'll discover where it inserted your Meta Tag information (it should be fairly obvious if you added a lot of keywords). These lines can then be highlighted and then cut and pasted into any other HTML page in the same place you found it in yours. It's even OK if there's another line of code already there for keywords. Just add it after it. One doesn't displace the other, it just adds more keywords.

If you haven't done so already, get knowledgeable on Google AdWords and Yahoo!'s equivalent "Sponsored Link" advertising programs. They cost money, but its money well spent to ensure that buyers searching the net see your Ad on the first page of search results. Be wary of outbound email campaigns. They can be pricey and then never reach their designated targets due to SPAM blocking technology. SPAM blocking has radically improved of late, and soliciting customers via email is now highly inefficient if not a complete waste of time and money.

"Traditional" mechanisms such as Public Relations and Advertising still apply to demand creation; although they, too, will have their online incarnations as well as offline. Seek to contribute articles to online e-zines that are related to the category or topic of your book to get your name out there and to plug your book(s). Frequent reader forums relative to your book; volunteer at reader chats for online interviews; give advice on writer forums (being sure to include "Author of {your book}" in your signature block, which should also be the case on every normal email you send out).

Ensure there are free samples of your work *everywhere*. There's even an argument to be made regarding giving out free copies of your book as an eBook to anyone that will take it. The reasoning is that, at present, eBook sales still comprise only 1% of total book sales, with Audio Books making up about 10% and printed books still the vast majority of all sales. Think about it: even if all the eBook readers in the world got a free copy of your book, the other 99% of readers aren't predisposed to read an eBook, and wouldn't do so even if someone gave them a copy—but they just might be influenced to purchase a printed or audio copy by someone who has read the eBook version, liked it, and recommends it. Thus, the 1% "loss leader" of an eBook could become a reference base to the other 99% of all readers. Compare this concept to the marketing strategy that Doubleday employed with Dan Brown's *The Da Vinci Code* sending out 30,000 free review copies as part of its launch program to

“prime the pump.” I don’t think they are sweating the “loss” of 30,000 copies sold in light of the other 60 million copies they did sell.

In time, the eBook will no longer be the minority of book sales. That may not be the case in any of our lifetimes, but then again it might. For the last decade or so, eBook proponents have been claiming that “this will finally be the year of the eBook,” however, that day has yet to dawn. But one day, primarily when a portable device like the iPod gains enough mainstream traction to become the universal platform for them, eBooks will eventually eclipse any other mediums such as print or CD-based. It’s inevitable. Surely there will be technology “laggards” who will go to their graves surrounded by their cherished libraries of printed and bound books. But realize very clearly that as they die off, they are not being replaced by likeminded souls. The new iPod generation really likes this notion of limitless choices, instant access, and immediate enjoyment. That fact is undeniable, and therefore the only real question is: If you’re an author, how best are you positioned to take advantage of the new paradigms to distinguish yourself from the multitude who haven’t figured it out yet?

Better yet, make a conscious choice to be an agent of “disruptive innovation.” Never accept the status quo, and do it deliberately for two important reasons: 1) if the current status quo is working for you, it will inevitably change and if you’re not prepared to continue moving forward, you’ll be the obsolete “laggard” left behind; and 2) if it’s not working for you, you need to find something that does.

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## ABOUT THE AUTHOR

Robert Gelinas is the founder, Publisher and Editor-In-Chief of ArcheBooks Publishing Incorporated, ([www.archebooks.com](http://www.archebooks.com)), as well as the author of many novels. He is a frequent public speaker and teaches and lectures on writing and publishing.

For more articles and by Mr. Gelinas, please visit [www.archebooks.com/AuthCor/AuthCorn.htm](http://www.archebooks.com/AuthCor/AuthCorn.htm) for ArcheBooks’ “Author’s Corner” of writer’s resources.