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Changing Publisher-Author Relationships in the Midst of Developing Crowd-Funded
Publishing Platforms

Margaret Schimming

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Submitted to the
Department of English
And the Faculty of
Portland State University

In Partial Fulfillment of the Requirements for the Degree:

Master of Science in Writing

With a focus in Book Publishing

Graduate Panel:

Per Henningsgaard, Ph.D.

Abbey Gaterud, M.A.

Kent Watson, Executive Director of Publishers Association of the West

Research Question:

With the growth in crowd-funded publishing houses and imprints, it is high time to consider the implications of this type of publishing arrangement for author–publisher relationships. What are some of the factors that drive an author to this type of publishing arrangement? How do these relationships differ from traditional author–publisher relationships?

The business of book publishing is as influenced by changes in the world economy and advances in digital technology as other highly recognized industries. The major difference is that publishers are working with a product that is created by an author and obtain rights to edit, design, market, and sell this content. Depending on contract negotiations, the publisher may need to get final approval for changes made to the manuscript from the author or the author will have very little say in the details of the final product. This creates an unbalanced relationship between the publisher and the author which can last the life of the project (and beyond) and has the potential to create conflict between the outcome desired and imagined by both parties. For publishers, taking on a book project is a scale of risks. Generally for an author, getting their book acquired by a publisher is a form of recognition and provides an opportunity to make their project into something beyond words on a page. That said, the higher the risk for the publisher, the less likely they will be able to create something that matches the dreams and imagination of the author.

As these traditional relationships falter, the authors or creators begin to seek out other options for publishing their work. For many years there were two options: Vanity presses, where the author pays for the entire production of the book, or self-publishing, where the author either does all editing, design, marketing, and distribution, or pays for freelancers or companies that specialize in those areas.

With the growth of crowd-funded publishing houses and imprints, it is high time to consider the implications of this type of publishing arrangement for publisher-author relationships. What are some of the factors that drive an author to this type of publishing arrangement and how do these relationships differ from traditional relationships between publishers and authors? This essay seeks to discover what industry professionals are saying

about this change and how authors feel about the relationships they have with traditional publishers versus crowd-funded publishers.

Current Trends in Traditional Publisher-Author Relationships

Traditional publishing models, whether they operate by holding an open or closed submission process, have developed standards within individual houses to judge all incoming texts on variables beyond quality writing. These examinations boil down to a balance of risks that eventually determine what level of editing, design, marketing, and distribution the title is going to receive in order to increase the chances of financial success.¹ The author is hardly, if ever, involved with making these decisions. Many times an author's only chance to negotiate terms and possibly convince a publisher to take a high risk on their book is during the creation of a contract, but without a general knowledge of legal terminology many authors accept whatever the publisher deems appropriate. This then begins the divide between the publisher and author leading to a minor disconnect about many, if not all, of the following phases of production.

In 2014, Dana Beth Weinberg and Jeremy Greenfield co-authored a report for Digital Book World that surveyed 9,210 authors who had experience working with traditional publishing houses or working within the industry as a self-publisher. They collected information on authors publishing preferences, their most recent experience publishing their latest book, an overall satisfaction rating of publishers, and information regarding author royalties, advances, and services rendered. The responses were fairly similar across the board, as far as marketing and author revenues were concerned, and provided a clear voice as to why an author might choose between traditional publishing and self-publishing. Weinberg and Greenfield summarized the

¹ In this context I define "financial success" as breaking even or making a small profit. In no way to I assume that all publishers acquire books based on "best seller" potential.

responses and established that “the authors in the sample view traditional publishing as offering advantages related to marketing, print-distribution, and professional services...However, they also viewed traditional publishing as offering less creative control, slower speed to market, lower royalty rates, and no guarantee of a higher quality finished product.”² What this survey shows is a vocal disconnect between the authors and the publishers they are working with, however, no solution has yet to be put forward to decrease this tension and build a better working relationship between these two groups.

A survey published in early 2015, titled “The Author-Publisher Relationship in a Changing Market: Risks, Rewards and Commitment” by Digital Book World and Writer’s Digest, reviewed the types of publication process’ that left authors feeling satisfied with their chosen publisher and the finished project. In the executive summary published on Digital Book World’s blog, Weinberg proposes that the industry imagine the various publishing models on a “risk continuum.” She says, “On one side of the risk continuum is the self-publishing model, where authors shoulder the entire burden of risk for a project, making all the necessary investments. At the other extreme, the traditional publisher assumes all the risk (and pays the author up front).”³ She goes on to point out that generally publishers and authors who take high risks also expect a greater percentage of the profit even if there is no guarantee of return.⁴ Nicola Solomon, head of the Society of Authors, believes that “[a]uthors need fair remuneration if they are to keep writing and producing quality work...Publisher profits are holding up and, broadly,

² Weinberg, Dana Beth, and Jeremy Greenfield. "What Advantages Do Traditional Publishers Offer Authors?" Digital Book World. 2014.

³ Weinberg, Dana Beth. "Investigating Author-Publisher Dynamics: 2015 Author Survey Results." Digital Book World.

⁴ Ibid.

so are total book sales if you include ebooks but authors are receiving less per book and less overall.”⁵

A strong advocate for change is fiction author M.J. Rose, who demands that publishers must change the way they view authors and, in the end, pay for manuscripts. She notes in her article, published in 2009 titled “Publishers Must Change the Way Authors Get Paid”, that publishers should start seeing authors as “business partners” and as such offer higher royalty rates to offset all the promotion and marketing that is not covered by the presses advertising budget.⁶ The solution she proposes is a complete overhaul of the systems and contracts that were set in place decades before giving nearly, as Rose claims, all power on the side of publishers rather than the authors.⁷ The issue here, however, is that publishers are looking at the content in a much different way. While they are excited by the project and want to make it into its best possible form, they must look at the larger picture which primarily includes allocating resources.

In response to Rose’s article, Robert Miller, publisher of HarperStudio⁸, equated her solution as “those group housing experiences we all had after college, when inevitably the refrigerator would get divided up into separate grocery bags with cranky ‘this is mine, don’t eat it’ notes on them.”⁹ His example showcases the protectiveness that authors and publishers feel toward a project, but does not pose a solution into joining the two sides. With the separation of thoughts and practices between authors and publishers (the grocery bags with cranky notes), the possibility of projects reaching their full potential begins to diminish. It also begins to cause a

⁵ Nicola Solomon as quoted in "Traditional Publishing Is 'no Longer Fair or Sustainable', Says Society of Authors" by Alison Flood.

⁶ Rose, M.J. "Publishers Must Change the Way Authors Get Paid." Rose also mused on her first marketing meeting in 1999 as a debut author picked up by a large publisher. She was told there was no ad budget for her book and when she offered to give back her advance to be used for promotion of her title she states that “the publishing team not only refused...they were horrified.”

⁷ Ibid.

⁸ HarperStudio was an imprint of HarperCollins whose business model split profits 50-50 with authors. This imprint is no longer listed on the HarperCollins website (<http://corporate.harpercollins.com/us/harpercollins-imprints>).

⁹ Miller, Robert. "Re-thinking the Publisher/Author Partnership."

tug-of-war where one side is the absolute winner and the other is in the mud, which is not a type of relationship that can be sustained over a significant amount of time. This is where the crowdfunding model comes into play.

The Theory and Practice of Crowd-Funded Publishing

The concept of crowdfunding started primarily within the music and video fields where there is a transparent representation of the cost of production. Around 2010, crowdfunding began to shift into many more industries, including publishing. In 2011, Todd Allen, a technology consultant and a former professor at Columbia College, stated that crowdfunding not only is a platform through which developing projects can get funding, it is a solution to the long standing complaints from authors regarding marketing and advancements,¹⁰ much along the lines of M.J. Rose's position examined above.

Publishing specific crowdfunding campaigns operate on two levels: The first level acts as a tool for the publisher and author to promote a project during development by involving readers with the text before reviews or other marketing plans are launched. The second and more apparent level of crowdfunding is to ask readers to invest in the book before a final version is available. In essence, these purchases (also known as pledges) cover many of the risks that a traditional publisher would take with a book, especially if it was coming from a debut author. The funds collected not only open the landscape of publishing to a wider selection of writers, it allows publishers more freedom to acquire a text that might need more front-end work than a text from an established author.

¹⁰ Allen, Todd. "Crowdfunding: When the Publisher Doesn't Cover the Creator's Expenses."

While there are many sites that host various crowdfunding campaigns, a few are specifically designed for the publishing industry. Pubslush, founded by mother and daughter team Hellen and Amanda Barbara, is a “global pre-publication platform that offers crowdfunding and pre-order options for authors and publishers.”¹¹ The idea was to create a platform that allowed a more democratic publishing process and opened doors for lesser known or new authors and small publishers to take higher risks without fear of a heavy financial burden. Pubslush offers two different types of campaigns: A traditional format where people pledge for donation gifts and one that only operates as a landing pad for pre-orders. The service also offers various levels of support. When a campaign is completed, Pubslush will take 4 percent of the total profits and the rest goes to the author and/or publisher to produce and promote the book.¹²

The other main crowdfunding platform for authors is the company Inkshares. The Inkshares team defines themselves as: “[A] book publisher that has readers, not agents or editors, decide what we publish. We publish any work that successfully hits a pre-order threshold on our platform. By ‘publish’ we mean that we edit, design, print, distribute, and market books.”¹³ This philosophy and model limits the amount of risk taken by the publisher while still offering the same professional standards that one would get working with a traditional publisher. Inkshares also has a partnership with Ingram Publishing Services allowing for wider distribution of books than a self-publisher working through another platform would have access too.¹⁴ Overall, it seems like the best of both worlds.

First-Hand Accounts from Authors

¹¹ “The Pubslush Story.” Pubslush.com.

¹² “Frequently Asked Questions.” Pubslush.com/faq.

¹³ “Frequently Asked Questions.” Inkshares.com/faq.

¹⁴ Ibid.

Yann Rousselot launched a crowdfunding campaign with Inkshares for a poetry book inspired by science fiction, video games, life in Paris, and what he notes as the “looming robocalypse.” *Dawn of the Algorithm* (2015) was recently published in paperback and the ebook is due out shortly, but that has not stopped nearly four hundred copies of the book being pre-ordered.¹⁵

Inkshares was not the first stop for Rousselot on his journey to publishing. He submitted his manuscript to various publications including McSweeney’s, Ugly Ducklings Press, and Tin House. He states that no editors seemed interested in his project and they either sent general rejection letters or never contacted him at all. One “independent publisher told [Rousselot] he would be interested in publishing,” but the contact noted a print-on-demand format, limited circulation, and barely any marketing or publicity support.¹⁶ Inkshares, as stated above, offers much more support on the editorial, marketing, and design aspects once a campaign obtains its target amount of funding.

While setting up the site was a lot of work for Rousselot, he was in contact with one of the co-founders of Inkshares, Thaddeus Woodman, and as the crowdfunding campaign became successful the project was matched with a small team of editors and designers that would see it through to the finish. Rousselot says that “the whole [Inkshares] team reached out to me when needed and were energetic promoters of my project.”¹⁷ However, even with that foundational team, it still fell primarily on Rousselot’s shoulders to promote the project and make the campaign successful:

The project page and social media campaign became a fixation, even my writing suffered for a time. It's taxing to reach out to people you know for support, and can feel debasing, like some sort of self-serving telemarketer, but it ultimately

¹⁵ “Dawn of the Algorithm.” Inkshares project page.

¹⁶ Author Interview with Yann Rousselot

¹⁷ Ibid.

paid off. I always framed it as an investment, rather than some sort of donation to a [lost] cause (some people reacted like I was asking for charity). It was an act of faith to push a project in such a manner, which can be seen as a legitimate project or a vanity publishing endeavor, depending on who you are pitching to. But I am a social media junkie to begin with, so it was just a matter of channeling my energy in the right direction.¹⁸

The idea of pre-sales direct to reader is still a fairly unique concept simply because the majority of people are not fully aware of the publishing process. What Rousselot is showcasing in his explanation above is that individuals see these campaigns as a way for authors to get money when in reality the first division is for production costs. After that, authors begin to make some money on the books their publishers are selling. Inkshares, unlike traditional publishing houses, offers authors 50 percent of the gross revenue on print books and 70 percent on ebooks, which they can afford because of the number of pre-orders made.¹⁹

Since the success of the campaign for *Dawn of the Algorithm*, the Inkshares team has been able to get reviews in Sabotage Reviews, Diagram Magazine, and placement on some science fiction websites. Rousselot understands that it is still early in the life of his book and is also working to continue promotion. He has, however, switched gears from being highly active online (sending out several emails per day) to planning launch parties and readings. He says that while working with the Inkshares team was enjoyable (especially after he embraced working within the crowdfunding model) he would hope that this was his way into getting signed with a more traditional publishing house.²⁰

Jenna Lyde, author of *He Never Liked Cake* (2013), had a slightly different experience working with Pubslush. She also tried the traditional route first, but while she received positive endorsement from agents, no editors were up for the task of taking on her project: The memoir of

¹⁸ Ibid. Rousselot discussing the most difficult aspects of running his campaign on Inkshares.

¹⁹ FAQ. Inkshares. "How does Inkshares make money?"

²⁰ Author Interview with Yann Rousselot.

a brain injury survivor. This is what turned Lyde to crowdfunding. She knew that her story would resonate with people and she was able to raise nearly \$16,000 while her campaign ran.²¹ She was able to drive so much attention to the campaign by telling everyone she could about her project, by setting a personal goal to speak directly to at least one person per day, and by creating a campaign page that clearly showcased her book:

I was particular about everything, from the copy on the website being correct ...and also appearing correctly on the page. I was in contact about my "supporters" and their needs, challenges, and suggestions. When I ran my first campaign things were running more in beta so there were things to figure out. I was also in touch with [Pubslush] frequently about marketing efforts. Basically, if I was going to do this, then I was going to do it well, which maybe means I can be a little anal. Then again, you really only have one chance to reach a consumer with your message.²²

Lyde also noted that while there was support on development of the actual campaign, she did not notice any significant increase in pledges as a result of Pubslush's efforts. This leads to the debate of whether crowdfunding is a self-publishers' tool rather than a funding model for presses. In a traditional house, much of the initial marketing and publicity efforts would be managed by the press, sometimes leading to a more inclusive and comprehensive promotion effort. In Lyde's case, she was left to handle much of the promotion herself, albeit leading to a successful campaign and eventual printing of her book.

Lyde states that this process of crowdfunding was less about actually telling people about the campaign and more about being confident when talking about the book. In the end, she says, "I could tell anyone that asked how and why this book needs to be published,"²³ which proved to be a much more productive strategy. Lyde also states that she would not consider working on

²¹ Author Interview with Jenna Lyde.

²² Ibid.

²³ Ibid. Lyde printed business cards for her Pubslush campaign for HNLC and handed them out to everyone she could, including cab drivers and people at airports. She feels that this was less productive as a marketing tool and has since proceeded into a more verbal and personal form of promotion.

another crowdfunding campaign (at this point she has completed two through Pubslush) mainly because she feels that she has tapped her resources, be it family, friends, or colleges. She explains that, “it is very hard these days to have something like this go viral when there are people [crowdfunding] everything from weddings to [health care] to bakeries.”²⁴

Lisa E. Lindman ran a crowdfunding campaign on Pubslush for her children’s book, *The Fox Forest Band* (2015), but the book was finally published through Hugo House Publishers. Unlike Lyde, the only contact person of note for Lindman was the author relations coordinator of Pubslush, Sarah Mendelson. Lindman says, “She checked in with me a few times via email and answered my questions. There wasn’t a lot of contact but I didn’t reach out very often.”²⁵ Mendelson also sent out generic emails to all authors on Pubslush with tips and games that authors could use to promote their projects.

Overall, Lindman states that she would not want to use the crowdfunding format again if she can avoid it. She notes, “I know I must of annoyed a lot of people with my constant updates,” and that her side job as a social media marketer suffered significantly while the campaign was running.²⁶ This is a common theme for authors who try crowdfunding without realizing how

²⁴ Ibid. Lyde also noted in the interview that she had various types of issues related to running the campaign: Not everyone was able to understand that they are investing in something. With books it's pretty easy to say "pre-order" but even still purchase before product is something that is still a concept that gets lost on some people. I also realized that with my second book crowd funding was more prevalent than and not always as favored as a source to acquire funding. I believe that these are general crowd funding challenges and in no way are specific to Pubslush. The particular Pubslush challenges are the following. The first round of campaigning, in the middle of the campaign, Pubslush had to restructure the credit card system internally (legal reasons) and I was told that CCs would roll over. They did not, and for that reason I had to ask over 150 people to re-enter their CC information and essentially re-purchase their level of support. I am fully confident that I lost nearly 60% of my funders because of misunderstanding, inconvenience, lack of faith in the company, and refusal to re-purchase. I really try not to do the math, because getting those people back would have tipped the scale over \$20,000. Yikes. Secondly, no one particularly came around to Pubslush vs. publish and people ask all the time "why the weird name?" I know the answer, but most people don't quite care. Names should be easy to say and hard to misspell when you want something to go viral.

²⁵ Author Interview with Lisa E. Lindman.

²⁶ Ibid. While not fully convinced by the crowd funding model. Lindman was able to make a connection to the Portland based children’s band, Red Yarn, who donated to the campaign and will be performing at her launch party. The band will be featuring a hand puppet of a fox playing a banjo, which was inspired by Lindman’s project.

much legwork it takes to contact a significant number of people. With Pubslush, Lindman might have benefitted from easy contact with the website managers and other authors on the platform had she taken the extra time out to ask for ideas and assistance.

What does all this mean?

The testimonials detailed above show that while crowdfunding allows authors who are finding it difficult to attach to a traditional publishing house to promote and produce their work, it is still not the perfect solution to the question of publisher-author relationships. Authors are still looking for more support when it comes to running crowd funding campaigns, but seem to be pleased with the creative collaboration during development and design of the manuscript. It is possible that as crowdfunding becomes a more acceptable and understandable form of publishing, authors will not feel that their promotional efforts are only benefiting publishers when running a crowd funding campaign or working with a traditional publisher on the development and production of their book. Overall, it seems that authors and publishers, no matter what platform, must begin to set new priorities and balance the responsibilities of promotion to better represent the interests of all those involved as we move forward.

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