

(Slide1)

POD and The Long Tail

If you're not familiar with the concept of the Long Tail, I urge you to read the article that defined it. In the October 2004 issue of *Wired* magazine, Chris Anderson, *Wired's* Editor-in-Chief first wrote about the sale of books, movies, and music on-line, and what could be gleaned by a comparison of on-line sales to brick and mortar sales.

<http://wired-vig.wired.com/wired/archive/12.10/tail.html>

(Slide2)

The Long Tail refers to the tail on the graph of title popularity in relation to those titles' share of revenue. There's a spike on the left for your "hits", but the graph has a tail that grows longer, the longer your title list is. It points out that the majority of sales on-line come not from the best sellers, but from the rest of the list—the niche markets. If the volume of variety is as important to revenue as the volume of any individual title, how does that change your approach to your markets, and specifically your on-line markets?

(Slide3)

One of the most resonant points I got out of that article came from this paragraph here:

“What’s really amazing about the Long Tail is the sheer size of it. Combine enough nonhits on the Long Tail and you’ve got a market bigger than the hits. Take books: The average Barnes & Noble carries 130,000 titles. Yet more than half of Amazon’s book sales come from outside its top 130,000 titles. Consider the implication: If the Amazon statistics are any guide, the market for books that are not even sold in the average bookstore is larger than the market for those that are. In other words, the potential book market may be twice as big as it appears to be, if only we can get over the economics of scarcity.”

(Slide4)

The author then lays out 3 ways to best exploit this often neglected share of these markets.

1. Make everything available
2. Cut the price in half, now lower it.
3. Now help me find it.

In the Spring of 2004, the University asked us to reduce our inventory so we could surrender one of our two warehouses. Rather than just do a blanket reduction of overstock or cutting our list, we decided to convert the bottom portion of our list to POD titles. The titles we chose were mostly older hardcover monographs priced between \$25 to \$70 dollars that were selling less than 25 copies a year. When we converted them to Lightning Source POD titles we made all of them paperbacks and priced them between \$14.95 and \$29.95. But while we were doing that, Sandy Thatcher, our Director, kept asking me, how will people even know about these titles? We’re not going to put them in a catalog announcing “New in Paperback”. How will anyone find them? I wasn’t sure at first, not until Google Print stopped by our booth at BEA.

(Slide5)

Of the over 1,000 active titles on our whole list, we signed up 972 in the Google Print program. The only exclusions we made were co-publications where it was

clear that the content wasn't ours. The launch also included the 209 backlist titles that were converted to Lightning Source POD paperbacks. This was how we would tell people about these titles—this was how people would find them.

(Slide6)

Type "Changing Patrons" into Google. The first listing is five pages from the book, the second listing is our buy page for the book.

(Slide7)

Type "Ayn Rand" into Google. That first listing is our biography of her.

(Slide8)

Type "American Baseball" into Google, That second listing is volume II of our three volume history of the sport. It's a Lightning Source POD edition (I have no idea why volume II should be more relevant than I or III). These impressive rankings are the result of the indexing being done in the beta portion of the program and there's no guarantee they'll always be so high, but as the depth of the indexing progresses, the more frequently our content will be in the relevant results. As Google refines the indexing, we're seeing an increase in the number of impressions of our content. When Google Print entered the second phase of the beta version of the program, we went from having an average of 10,000 page impressions a month to 20,000 page impressions a month.

(Slide9)

When looking at a page from one of our books in the Google Print program, our logo is linked to our site's homepage, and the first "buy the book" link goes to that book's buy page on our site. Obviously it's most profitable to sell the book ourselves through our own website. Since our titles became active on Google Print, visits to our website are up 124%. The converted POD titles averaged 19 copies per month before Google Print. They sold 74 copies in the first month after. Clearly, people were finally finding them.

How does POD play a role here?

(Slide10)

There are four POD printers we've used or tried to use in the past. IBT seems the best, in terms of quality. We've often used them for frontlist books with a small initial printrun. Their unit cost is competitive but they don't offer any distribution. Royal Palm, in Florida is often used for their speed, and if a job requires a lot of communication with the vendor. Not very affordable, but usually very responsive. Thus far we've only use them for ARCs. Bibliovault's

Scholar's Portal has indexed and currently searches about 40 of our titles, but because of the higher unit cost and because they currently only allow integrated distribution for their client presses, we haven't used them for POD. Finally, there's Lightning Source. Lightning Source typically offers the lowest unit cost and built in distribution.

You can use them as a short run printer and do your own fulfillment, but for a \$12 a year per title cataloging fee, they'll handle it for you. They also allow us to have the option of selling those books returnably or non-returnably. In order to keep prices as low as possible, we felt it was essential that these books be sold on a non-returnable basis.

(Slide11)

There are other POD vendors experimenting with distribution. Edwards Brothers is drop shipping for Tri-literal, for example. And the Chicago Digital Distribution Center is offering a managed Short-run program, but currently it is only available to its client presses. It should also be noted that the CDDC doesn't currently offer a non-returnable option.

Using Lightning Source does a couple of things for us. It affordably converts hardcovers to paperbacks, it changes the status of those titles at other on-line retailers from "Ships in 1 to 2 months" to "Ships in 1 - 2 days" or "Ships in 24 hours", and it puts those books back on the active list at the chains.

(Slide12)

Because I wanted those benefits available to the European markets, I have also renegotiated our contract with Eurospan so they no longer have exclusive rights on distribution of our Lightning Source titles. For a small cut on our Lightning Source UK net revenues, Eurospan has agreed to let Lightning Source UK sell directly to its Direct-Channel partners in Europe as it does here in the states. (ie Gardners, Bertrams, Amazon.co.uk, Blackwell's Book Services, etc.) This now makes all of those titles available in few days in Europe as well. Google Print went international April 8th. Now all of those same search results also appear in Australian, UK, and Canadian domained searches.

We also added the Lightning Source drop ship module to Cat's. Now, rather than us ordering the book from Lightning Source, shipping it first to our warehouse and then shipping it to the customer, that order gets sent EDI to Lightning Source who drop ships the book direct from their facility. So now, for both our

customer's and Lightning Source's customers, these books are shipped within 24 hours from when the order is placed.

(Slide13)

Currently I'm looking to expand this model. I've asked our Director if we can convert another 10% of the list. He's reluctant, until we start seeing more sales history but has agreed to let me put together a list of another 5%. We have also started a relationship with the Library at Penn State. We are beginning to offer printed versions of some of their unique digital content. We're starting with rare books from the library of one of the Commonwealth's past governors. Our first book in that collaboration has also just become an Lightning Source title under a new imprint we're calling Metalmark books. They have 269 PDFs from that collection which we are currently evaluating for the program.

(Slide14)

We are also bringing back a series that we shut down in 2003 due to economics. The Penn State Studies in Romance Literatures has been brought back through co-sponsorships with the Library and the Romance Languages departments at Penn State. The content will be produced and distributed digitally on open-source platforms and available for free viewing on the Library's servers.

(Slide15)

But every page of that content will also include a "Buy the Book" button going to our site, where POD editions will be available. The inclusion of a print element was crucial in the return of the series. The initial idea was for the Library and the Press to keep the series alive and available in an electronic format. But the inclusion of the print element isn't as much for revenue, as it is a selling point of the series to authors and tenure committees. The parties involved knew that submission to an electronic series would be much more tenable if in the end, a tenure committee member could hold a book in their hand during the evaluation.

Finally, I was pleasantly surprised to find a proposal on the agenda of our last Editorial Committee to bring two books, both originally published by other university presses, back into print using POD. Both were published in hardcover but their original publisher's felt that there wasn't enough of a paperback market so they reverted the rights back to their respective authors who then approached us about bringing them back into print. The committee not only enthusiastically approved those books, but then offered several titles they wanted to see brought back into print. They also suggested we consider offering this service to the full faculty at the university. The only stipulation that they made was that the books

we choose make sense within the context of our list. It's interesting to note here that the Acquisitions Editor who submitted the proposal included Chris Anderson's *Wired* article.

Okay, if I've sold you on the potential of POD and the Long Tail, your next question will probably be costs.

(Slide16)

The biggest investment was conversion of the backlist to POD. 200 titles at approximately \$100 per book adds up. We were able to spend a little less by taking advantage of quantity discounts and seasonal specials. Your set up costs can also be lower if you have digital files.

(Slide17)

The second investment was a copy of each book. We drop shipped a copy of each Lightning Source title to Google's scanning facility in California and bulk shipped a copy of each of our offset titles from our warehouse. We then filled out a spreadsheet asking:

- ISBNs
- Titles
- Sales restrictions, so books wouldn't be displayed in geographies we didn't have rights for
- Art restrictions, we took a blanket approach and restricted them all
- Permission to display Ads, which we granted
- And our buy page URL for each title.

As we publish new titles, we're including those as well. New titles have digital files available so we are currently looking to integrate digital submission into our workflow, thus saving both shipping costs and books.

(Slide18)

While we're quite happy with the results of both our partial backlist POD conversion and Google Print's publicizing of our books, we do recognize that this model won't work for all of our books. Penn State has a wonderful art and art history list, and we recognize the limitations of POD to reproduce images in a quality sufficient for scholarship. But for most of the rest of our list, this model works well for the end of a books life-cycle. Not only does it free up resources and capitol, but more importantly, it allows the scholarship to remain available indefinitely, affordably, and accessibly.

