

Northern California Publishers and Authors
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Author, PETROPLAGUE
<http://ScienceThrillers.com>

Lapsed scientist, used to teach microbiology at SacState. Now I'm a writer and a critic. I run a website, I have one book out, PETROPLAGUE, a science thriller in the style of Michael Crichton, in which oil-eating bacteria contaminate the fuel supply of Los Angeles and paralyze the city. I sold the digital rights to Diversion Books who produced the ebook and I self-published the print and audiobook versions.

Sources:

- "The New Explosion in Audio Books" by Alexandra Alter. *The Wall Street Journal* online, August 1, 2013
- "Serious Listening" by John Schwartz. *New York Times Book Review*, November 22, 2013
- "Expanding the Market for Audiobooks Beyond Commuters" by Andrew Adam Newman, *New York Times*, June 11, 2013
- "Actors today don't just read the part. Reading IS the part" by Leslie Kaufman. *New York Times*, June 29, 2013
- Audio Publishers Association website
- Audible.com, amazon.com, bn.com
- ACX.com

Audiobooks

A lot of people think technology is killing books. That reading long-form fiction in particular is in decline. Now, I don't know if that is true. But storytelling is as popular as ever, and advances in technology are driving a surge in one bookselling arena: audiobooks.

The idea of listening to a story instead of reading it is older than civilization. The great Greek epics of Homer were all based on older oral traditions. I'm sure from the very beginning of human speech, we were telling each other stories. In the 20th century, oral storytelling thrived in radio. Transforming written *books* into audio recordings started in the 1930s, when the Library of Congress initiated a "talking books" program for the blind. And many of you may remember the time when cassette tape players were ubiquitous, and "Books on Tape" had some popularity.

The problem, of course, with Books On Tape, is that it takes a lot of tapes to cover an entire novel. The recordings were prohibitively expensive (so the market was

mostly restricted to libraries), and the listener had to be in a place with a tape player.

All that has changed and Audiobooks are the hottest thing in bookselling today. The industry was worth about 1.2 billion dollars in 2011, up 13% from the previous year, and it's been growing since.

Digital Growth

No surprise that most of the growth has been in digital downloads. Digital downloads now make up over 60% of sales, more than the sales of audiobooks in CD format. The CD format tends to appeal to older, wealthier readers.

The fact is, most people carry an audiobook player with them wherever they go. Smartphones are an ideal device for listening to audiobooks. You take it with you and can listen anywhere. It's easy to turn it on for short periods of time. And it's very easy to instantly download an audiobook when the need or fancy strikes.

Another reason for the increasing popularity of audiobooks is the widening availability of titles. Audible.com, by far the largest retailer of downloadable audiobooks, offers over 150,000 titles and is aggressively trying to increase the number of books available. They're trying to add 1000 more titles every month. A lot of authors and their estates have converted backlist titles into audiobooks because it has become quite easy and relatively inexpensive to do so nowadays (more on that later).

Finally, the price of audiobooks has also come down. Those clonking 20 CD packs you could check out from the library often cost \$50 or more to buy. Now, the average price of an audiobook download is \$20. People who consume large numbers of audiobooks—who, by the way, tend to be typical of audiobook listeners—they are more voracious than the average reader—generally pay even less because they use one of Audible's subscription services.

And yet, if you're the rights holder to an audiobook, your royalties for each sale will be way more than an ebook sale, and likely more than a hardcover too. There are some very good reasons why you should produce all the books you own rights to into audio versions. I'll discuss those reasons in a minute.

According to the Audio Publishers Association, the primary customers for Audiobooks are well educated, have higher incomes than non-listeners, tend to be older (30+) and are attuned to book trends through reviews and bestseller lists.

How people listen

As you might expect, the ways people listen to audiobooks are different from the ways they read books. The APA uses surveys to gain insight into their customers. Here are some of the things they know about listeners in 2012:

They “love the convenience and ease of the format, especially during car travel.” The “overwhelming majority of survey respondents said they listened primarily while in the car and choose audio for its portability.” Commuting to work is a prime time for listening. Long road trips with the family are a “gateway” for many listeners to audiobooks. About half of listeners got started on audio while taking a trip.

Hard-core fans of the format will even choose audio versions of a book for reasons that have nothing to do with convenience. They believe that a strong performance of an audiobook makes a story better than reading the book in print. There are books they’ll listen to but would never read. (This happens to be an argument some parents are making, too. Nearly half of audiobook listeners with children at home report that their kids listen to audiobooks as well, and that audio increases their children’s love for reading, and exposes them to books they might not otherwise read.)

Listening to audiobooks while driving is one example of what is turning out to be the greatest appeal of the format: multitasking. Nowadays everybody wants to be doing more than one thing at a time. Putting on an audiobook lets them “read” while exercising, gardening, walking the dog, or doing housework. Publishers are using this knowledge to target advertising of their audiobook lists. Instead of searching for readers who might be interested in a particular title, they can promote audiobooks to people who do crafts, for example. Random House recently ran a print ad in the craft magazine *Vogue Knitting* showing needles stuck into a ball of yarn with white earbuds wrapped around it. The tag line was “Best selling stories to keep you in stitches.”

Just as some book lovers strongly prefer paper and refuse to read an ebook, some people reject audio as diminishing the reading experience. But many audio users are format agnostic. An important new innovation offered by Audible and its parent company amazon.com is synching, which they call “Whispersync for voice”. If you buy the audiobook from Audible and the ebook from amazon (maybe in a package deal), then amazon’s cloud keeps track of where you are in the book in both formats and then takes you to exactly that place in the book when you return—even if you’re switching back and forth between audio and e. This allows people to listen while on the train ride home from work, and then at bedtime they can pick up their ereader and synch technology will “open” their ebook to the page where they stopped listening to the audio a few hours earlier.

The net effect of all this is audiobook listeners generally consume a lot of books. More books, in fact, than your average heavy reader of print. The Audio Publishers Association says that frequent listeners of audiobooks (defined as those who listened to four or more audiobooks in the past year) read a median of 15 books a year, compared to six books read by people who don’t listen to audiobooks.

What do people listen to? Adult fiction is the best-selling audiobook category, with mystery/thriller/suspense at the top. Science fiction/fantasy is in second place, and

romance in third—not too different from the preferences of print readers. Literary fiction and classics are also available, of course. For some people, having a professional actor narrate a complex work helps make it comprehensible, kind of like seeing a Shakespeare play instead of reading the script.

Formats and retailers

Audible.com is a subsidiary of amazon.com, and it is the dominant retailer of digital audiobooks, although exact numbers about sales and market share are not publicly available. (This is a common theme of amazon's business activities—no sharing of data.) As far as I can tell, Audible does not sell CD versions of its titles.

Audible downloads are NOT MP3 files. Their audiobooks are protected by DRM technology. (digital rights management, anti-piracy). This means that users must install 4 devices an Audible app or AudibleManager software, or use iTunes, to listen to Audible books. It also means users are limited to a maximum of 4 linked devices/downloads per book purchase. Buying a digital audiobook through amazon takes the customer through Audible.

If you want an MP3 version of an audiobook, you can get it from Barnes & Noble.com. But BN.com doesn't have access to audiobook titles produced through ACX, which I'll be discussing shortly. Audible and ACX titles are sold through amazon and iTunes.

Both amazon and Barnes & Noble sell CD audiobooks, sometimes in abridged and unabridged editions.

To give you an idea on pricing, Dan Brown's INFERNO unabridged audiobook is being sold at Barnes and Noble.com. The CD version costs \$36 and the MP3 download is \$25. For comparison, the hardcover is currently priced at \$17 and the NOOK ebook at \$10.50.

Most libraries offer audiobook CDs for check out. Public libraries like Sacramento that partner with the digital distributor Overdrive also have digital audiobooks available to borrow. As with ebooks, audiobook distribution by libraries is restricted.

LibriVox.com is a free online library of downloadable recordings of books in the public domain in the US (generally, works written before 1924). All readings are done by volunteers and the audiobooks themselves are also public domain.

A handful of audiobooks, I think all public domain such as Mark Twain and HG Wells, are also available on the music subscription service Spotify.

Why rights holders should produce their titles as audiobooks

- Different readers prefer different formats. To reach the largest number of readers, have your book available in as many formats as possible.

- Discoverability: less competition for now
 - Audible has the biggest library ~150,000 titles, but that's a tiny fraction of the millions of print and ebook titles for sale on amazon
- For now, the royalties are excellent. (concern that amazon/audible will drive down prices)
 - In my own experience, I earn about a dollar for each ebook, \$1.50 for a paperback, and about \$3.50 for each audiobook.
- For publishers, an opportunity to bundle content (paper, e, audio)
- For authors, an opportunity to create audio-specific content
 - "Books" exclusively for audio: new version of Ender's Game, written by Orson Scott Card as a story in dialogue, radio-play-style, instead of first person.
 - Some authors releasing direct to audiobook, using different writing style (less complex sentences, avoiding weird rhymes/sounds, dropping some dialogue tags etc.)

How to produce an audiobook

Easier and cheaper than ever

Two issues: production and distribution

I don't know how it works if you're a publisher with existing business relationships with book distributors. You could hire an audiobook producer and then distribute the audiobook through your usual sales channels in both CD and MP3 format.

But for authors who control their own audiobook rights and want to produce an audiobook independently, there really is only one choice for distribution: ACX.com, which distributes through Audible, amazon.com, and iTunes.

What is ACX?

Audible is relentlessly working to increase the number of audiobook titles in their catalog. Because until recently it was quite difficult and costly to produce an audiobook, the limiting factor for Audible is the number of quality audiobooks that exist. So they came up with a way to increase the number of audiobooks made.

The Audiobook Creation Exchange, or ACX.com, is the result.

I used ACX. I loved it. It's not perfect--I'll mention some of the limitations and concerns I have about it the exchange—but I would definitely use ACX again.

- A marketplace that brings together rights holders and audiobook producers
 - Rights holders can be authors, publishers, literary agents
 - Producers include narrators, sound engineers, individuals or teams of pros
- Provides rules and contracts to protect both parties

- Must use ACX's contract agreement templates for all agreements
- Makes the whole process transparent, flexible, and easy to use
- Audible itself stands on the sidelines until the final audiobook is done; not part of the transaction
- Like ebay for authors and narrators instead of buyers and sellers. Or more accurately, a freelancer's market specializing in audiobooks
- At this time, only US residents can participate in ACX marketplace

How to use ACX (for authors/rights holders)

- ACX is an amazon company so you can set up an account using your amazon log in
- Confirm that you have audio rights for your book.
- Create a title profile on ACX. Describe your book, and the type of narrator best suited for it. You'll also post a one or two page excerpt from the book. This will serve as the audition script. Potential narrators will record this bit of script for you to judge.
 - Choose your 2 pages carefully. I tried to include a section dialogue, with tension, and with some challenging technical vocabulary. You want the pages to test your narrator, and also to convey to the narrator any kinds of challenges he might encounter in your work.
 - ACX offers a whole bunch of categories of narrator traits: obviously gender, but also tone quality, regional accents, narrator's experience, and price range/royalty agreement.
 - If you're trying to recruit a producer for royalty share, you'll want to talk up your book—include some reviews, or say something to convince the producer that your book is a good investment.
- Find a producer. Once you've posted your book at ACX, producers who are looking for work will find it and submit auditions. Or, you can search the profiles and sample work of narrators yourself, and invite them to audition for your book.
 - ACX is also a forum for audiobook publishers who want to purchase audio rights, not just do the work of producing an audiobook.
- Review auditions
 - Could I listen to this voice for ten hours or longer, or will some aspect of it become grating? Any annoying habits?
 - Evaluate production quality: Is the recording absolutely clean of background noise? Can you hear the narrator breathe? Do you hear white noise? Is the pronunciation absolutely clear? Do you like the way the performer is "acting" your characters?
- Make a deal
 - Once you've found the perfect narrator, make an offer to the producer by sending ACX's formal Production Offer Page. Just the click of a button, and fill in a few blanks. If the producer accepts, the deal is done.

- This is a binding legal agreement
- ACX provides an internal messaging system that you should use for all negotiation. I found it useful to communicate with the narrators before submitting a contract. This needs to be a person you can work with.
- The contract includes a timeline for each of you. Another good reason to communicate with the producer before submitting a contract: make sure they are available to do the work in the time frame you're considering.
- Terms of a deal:
 - Most important choice: Pay for Production deal, or royalty share?
 - Pay for Production: you pay the producer an agreed upon price in dollars per finished audiobook hour, generally \$100-500 per hour. Once you've paid up, your relationship with the producer is over, and you are entitled to all royalties.
 - Royalty share: you pay the producer as little as \$0. They produce the audiobook in exchange for 50% of the net royalties for I believe 7 years, which is the duration of ACX's exclusivity.
 - All royalty share agreements MUST be exclusive distribution (Audible, amazon, iTunes)
 - Royalties: until you sell a whole lot of audiobooks, the royalty rate is 50% of Audible's net proceeds from each sale. So if you're royalty sharing with a producer, you each essentially get 25% of the "cover price". They do have an "escalator" which increases the royalty by 1% for each additional 500 units sold
 - If you opt for non-exclusive distribution (say, you have a deal with Barnes & Noble), rate drops by half (you only get 25% of net)

Rights holder must approve the first fifteen minutes before anyone proceeds further

Production should take 3 to 8 weeks. The length of time is written in your contract.

Producer will upload each chapter to ACX. I recommend that you arrange for the narrator to upload chapters as they are completed, not all at once at the end. That way you can listen to them as the narrator works and you can ask for corrections early.

Rights holder is contractually allowed to request two rounds of revisions before final approval of the final product. I didn't have any "rounds" because I was working with my narrator as the project went on, and he quickly made corrections as it moved forward.

Audible's distribution rights last for 7 years

I found the legal contracts on ACX to be pretty reasonable for user-friendliness. You can actually read the things.

How much will my audiobook sell for in stores?

Each retailer of your audiobook independently prices your product and determines such price in their sole discretion. While not always the case, the regular price on Audible.com for the product is generally priced based on its length, as follows:

- *under 3 hours: under \$10*
- *3 – 5 hours: \$10 - \$20*
- *5 – 10 hours: \$15 - \$25*
- *10 – 20 hours: \$20 - \$30*
- *over 20 hours: \$25 - 35*

To be clear, although the above represents general guidelines as retailer of audiobooks sold on Audible.com, Audible retains the sole discretion to set the price of the audiobooks it sells. Additionally, on Audible.com, consumers can buy your audiobook “a la carte” for the above price, but many Audible customers are AudibleListener members who can purchase the audiobook with an Audible “credit” which they get as part of their Audible membership. These credits are generally for about fifteen dollars per month. For more about AudibleListener membership, please check out the Audible.com store. Yes, AudibleListener members end up paying less per audiobook, but they are voracious audiobook consumers who tend to purchase over seventeen audiobooks per year from Audible.com. This is much higher than other audiobook customers, who generally purchase just one or two books per year. Please note that we do not, and cannot, control how iTunes prices your audiobook in their store. However, no matter how they price it, you will be paid the same amount as you are for Audible “a la carte” sales (i.e. a percentage of Audible’s “a la carte” price).

Choosing a narrator

The booming audiobook market has created a whole new category of performers that you’ve never heard of by name, some of whom have major fan following: audiobook narrators.

Audiobook narration is an art form. You want to hire a narrator who is experienced and skilled, because a mediocre narrator will kill an audiobook no matter how terrific the novel is. You can find audiobook reviews on Audible and on dedicated websites such as booksforears, audiofilemagazine, and audiobookjukebox. You’ll see that audiobook reviews are quite different from the reviews a text book will have. The quality of the performance is usually the first thing the reviewer mentions, before the story itself.

I listened to auditions from a number of potential narrators coming from radio. They had cool voices but they didn’t have the acting skill. Your audiobook narrator should be an actor, either one specializing in audiobooks, or at least one with acting experience.

The process of producing an audiobook is grueling. The narrator has to interpret or act out 90,000 words and not lose their voice. He or she has to know exactly how to use the microphone to avoid breath sounds and explosive “p’s”. Character voices must be consistent throughout the story. It also takes longer than you might think.

They say that each hour of finished recording (say, 10-12 hours for a typical thriller novel) takes about 7 hours of work: time recording in the studio, then time editing and doing post-recording processing.

So the bottom line is you want to get somebody who knows what they're doing.

You may not be able to afford a star narrator or winner of an Audie Award (yes, there's an award for best audiobook), but lots of actors are moving into this space and are making a living at it. (No more waiting tables between acting gigs!)

The CEO of Audible thinks that his company may be the largest single employer of actors in the New York area.

Fortunately, ACX makes it easy to find the right narrator for your book. You can find narrators offering their services in a range of prices and contractual arrangements.

Production Stipends

After you post your title as open for audition, you might get lucky and find that ACX chooses your title as eligible for a stipend. (You'll see a green "Stipend" banner attached to your title.) If you complete a contract with a producer within 60 days, the producer will get \$100 per finished hour as a bonus from ACX. This can allow you to hire a narrator who would otherwise be too expensive for you!

*To encourage Producers to try our innovative Royalty Share option, ACX offers a bonus payment we call "Stipends" on select titles. The Stipend is paid by Audible to producers after completion of a qualifying title, and is **in addition to** the royalties Producers earn from audiobook sales. Titles with a Stipend are indicated by a green "+Stipend" banner on the title's profile page, visible to all ACX Producers who are logged-in to the ACX website, as well as the title's rights holder.*

How It Works

ACX employs an algorithm to determine which titles are eligible for a production Stipend. The algorithm looks at factors including past print and eBook sales of a title, recent sales velocity, user reviews, date of first publication, genre, and estimated running time (on ACX, longer is better) to determine eligibility. Only titles that are posted and accepting auditions are considered for inclusion in the Stipend program. The Stipend offer varies. The current offer, which expires on January 31st, 2014 is \$100 per-finished-hour, up to a maximum of \$2500. The producer should invoice ACX after the production is approved (by both the rights holder and ACX) for the Stipend titles that he or she produced.

Narrating your own book

You are perfectly entitled to narrate and produce your own audiobook, and use ACX for distribution only. This generally makes more sense for memoir and nonfiction than fiction, which is best done by professional actors. Plus, a significant amount of technical skill and equipment is needed to do it right.

It is inadvisable to start recording, sitting in your office at your computer because your final effort will be very poor quality, and you'll be able to hear the traffic noise on the street and the cat bumping into the door. Make sure you invest in a good quality condenser directional microphone and lots of bedding/cushions to create a nice 'dead' space in the bedroom/office. If you are doing it at home and don't have a soundproof room, try recording at night when there are fewer noises. Good

recording and editing software is available for free—Audacity, GarageBand for Mac—but like anything else, beginners will have to invest a lot of time and energy to figure it out.

If you're eager to do it, go for it! ACX actually provides video tutorials and a host of other resources to teach you how to become your own audio engineer. It's just not easy or free.

In the end, you must provide cover art in SQUARE format and according to ACX specifications. You may or may not have rights to the cover art from a print edition. Within a few weeks for ACX quality control, your audiobook will be for sale!

Summary

- If you own rights to a book that has not yet been produced into an audiobook, you should do it
- Use ACX to produce your audiobook because
 - You can access professional talent for as little as \$0 up front (royalty share)
 - You get distribution to the majority of the digital audiobook market
 - You can have your ebook and audiobook produced for WhisperSync
 - It's easy and fun
 - As long as prices stay up, the money is good
- Limitations of ACX
 - No CD version
 - No distribution on bn.com
 - No control over pricing
 - Amazon may discount your material in ebook/audiobook packages without your consent