

EDITORIAL

# The Used Book Fracas

By Steve O'Keefe

In a bold move to usurp corporate CEOs as the reigning symbol of villainous greed, authors are banding together to protest the sale of used books at Amazon.com. The Authors Guild is leading the crusade: "We believe it is in our members' best interests to de-link their websites from Amazon." Some authors have gone so far as to recommend legal action to require Amazon to collect and remit author royalties on used book sales.

There are so many fallacies and errors of logic in the case against online used book sales that it's hard to know where to begin. Let's start with whether these sales have diminished in any way the returns authors realize from their craft.

## New Book Sales

There is simply no evidence that used book sales reduce the number of new books sold. Authors and their so-called representatives seem to think there is a fixed pool of dollars allocated to bookbuying, and that money spent on used books cuts into budgets for new books. However, it is proven that used book sales increase total book sales, with more books being sold and finding readers every year. This should be cause for author rejoicing.

## Author Royalties

An obvious fallacy in the case against used book sales at Amazon is that authors don't receive royalties from these sales. One bookstore owner wrote into Patricia Holt's newsletter, *Holt Uncensored* — another crusader against used book sales on Amazon — that his store sold overstock books at discount prices online rather than return them to publishers for credit. Full author royalties are paid on such sales.

Indeed, many booksellers find it more economical to list unsold books for auction online than return them to publishers. Authors and publishers

sometimes forget that returning books is expensive for booksellers, too, because they absorb losses due to shipping costs. Cutting losses by auctioning or discounting overstock is good for bookstores, good for publishers, good for authors, and good for bookbuyers.

## Author Advances

A more important measure of author welfare is the level of advances publishers pay to acquire manuscripts. Publishers take a risk when they pay an advance; in most cases, it's a losing proposition for them. Less than 10% of books published under this arrangement earn royalties in excess of the advance. In other words, for more than 90% of published authors, royalties mean nothing. What counts is what the publisher pays up-front to acquire the manuscript.

This brings up two interesting points. First, if authors should get royalties on used book sales, maybe publishers should get refunds on advances that don't earn back? I don't hear the Authors Guild advocating for this nod to fairness. Second, if publishers increase profits through the efficient remaindering of books online, this contributes to their ability to take risks and pay advances for new books. Since advances have much more to do with author compensation than royalties, shouldn't author representatives be focused on increasing the number and size of advances?

## Why Pick on Amazon?

Authors and their advocates act as though the sale of used books alongside new ones is a new and insidious plot. Powell's Books in Portland, Oregon, has been shelving new and used books side-by-side for decades, much to the pleasure of most authors and consumers. Almost all university bookstores sell new and used textbooks together. I guess some authors are jealous of the high level of esteem that students have for textbook pub-

lishers. Used booksellers have been vending their wares over the Internet since before the World Wide Web was invented by Al Gore in 1994. The only thing new about this development is the sale of new and used, side-by-side, at Amazon.

The issue here isn't even new vs. used, it's a matter of who is making the sale. Books bought from Amazon are shipped by Amazon. Books bought through Amazon's Marketplace are drop shipped by Marketplace vendors. Amazon's books might be used (returned to wholesalers by booksellers and sold again) and books from Marketplace vendors could be new (untouched by human hands) even though sold at a steep discount.

As Gary Smith notes in his cover piece, the Marketplace program is now the only realistic method for many independent presses to sell through Amazon. Amazon shut down its special order service, and will only sell books available from major wholesalers or through the Advantage program. Publishers are once again in the familiar position of having to offer huge discounts or being locked out of retail markets. Amazon's Marketplace offers them another route, where they set the price and pay a 15% commission on sales.

## Authors Who Love Readers

Personally, I think an author should celebrate whenever any copy of his or her book finds a willing reader. There is nothing better for authors than to be read. The more people who read an author's work, the better for the author in the long run. It increases the author's likelihood of receiving a larger advance on their next book.

I hate to see authors put in opposition to readers, but that's what this grandstanding against Amazon does. Like a players strike in baseball, author objections to used book sales are seen as hurting the fans — in this case, readers. It's bad for the game.