

# Essay on royalties

[Business](#), [Marketing](#)



## **DESCRIPTION OF BESTBOOKS**

Bestbooks is one of the highest-selling publishers in the world, grossing billions of dollars a year from the sale of its thousand-book catalog. We are publicly traded, and we compete equally with higher book publishers, like Little Brown and Harper Collins. The company has been operating since 1973, and has locations and stores all around the world, as well as a significant online presence and a large marketing budget. We often do book tours throughout the country, and TV spots for novels, making some of our higher-profile books go through a rigorous, thorough marketing junket before release. This ensures high turnout, and we are sure to take care of our more lucrative authors by putting them in the spotlight throughout this marketing process.

Bestbooks offers a significant, high-profile and actively working publisher that works to get books out onto as many markets as possible. Our business model emphasizes exposure of the author through the book, meaning that the author is just as inexorably tied to the marketing scheme as the book is. Our operation is as streamlined as possible, offering the exposure of a large-scale publisher with the resources and personal care of a small company. Bestbooks' bread and butter are mystery novels and young adult fantasy, two niches which are always big sellers, and it would be an honor to add Paige Turner to our repertoire of skilled authors. We already possess a number of significantly high selling young adult book series which are still in circulation, keeping the Bestbooks name in high demand. It would be to both our and Paige's benefit if she was to sign with us.

We are well aware that Paige is a high-profile author, and we look forward to

her amazing work. However, we need to be able to have the budget to distribute the book. In return for her being willing to accept fewer perks up front, we are willing to increase her royalties to 7%. This is no pittance; her cooperation in freeing up our budget will give us license to do greater print runs, and distribute it to more countries and book clubs.

If Paige is not satisfied with her royalties, we can increase it to 10%.

However, this would mean decreasing the book run and the distribution, which could spell doom for her overall sales. In the end, it would likely earn her more to take the 7% and allow us to give as many people as possible the word about the book.

## **CONTRACT SIGNING BONUS**

For her signing a contract with us, we will give her a \$10, 000 signing bonus. This is only fair; she should be rewarded with some money up front for the hard work she will do for us. However, this is contingent upon her having no advance – That is already a generous offer. If she insists upon having an advance, we can give her a \$5, 000 advance, but the signing bonus lowers to \$5, 000, so it is a lateral move in the end. We would prefer to give her the lump sum as a signing bonus.

If this is not satisfactory to Paige, we at Bestbooks are not sure how we will have the budget to distribute the book, as we will have spent too much money on the author herself. While we respect Paige's craft, there is little to no point in writing the book if no one will see it, and no other publisher will give her the treatment we are providing.

## **NUMBER OF PRINT RUNS**

We are very excited about Paige's book; we believe it has the ability to last a long time, and reach a lot of readers. That means going through several print runs of the book; this of course costs money. We would like to be able to do six print runs in an ideal world; this allows a greater number of books to get out there, be sold, and make everyone involved earn more profit, regardless of the advance. A 7% royalty with a six print run will yield a lot more than three print runs with a 10% royalty, due to the fewer number of books available for sale. We urge Paige to consider this as she thinks about the payment offer we are putting on the table.

## **NUMBER OF WEEKS TO PROMOTE THE BOOK**

We are sure that Paige is very proud of her books, and is very concerned with connecting herself to the book as much as possible – we would like to facilitate that press junket by getting her out there whenever we can. Ideally, we would adore it if Paige were willing to spend thirty-five weeks promoting the book. This includes book tours throughout the country, readings, autographs and the like. People like to connect the book with its author, and they will buy books at these book tours. The greater amount of promotion the book has, the more books will be sold, and the heavier everyone's purses will be.

If Paige can agree to the 7% royalty, the \$10, 000 bonus, and no advance, we can proceed with 35 print runs. If not, a 10% royalty and any other change to the bonus and advance would result in around 25 weeks of promotion. That is all we would have in the budget to promote your book,

and ten fewer weeks could mean hundreds of fewer books personally sold by the author, and many thousands not sold in general.

## **NUMBER OF BOOKS**

We understand the competitiveness of the industry; many authors come and go, and Paige Turner is no exception. We do not expect you to stick with us for more than one book, but we would like it very much if you would stay. In a perfect world, we would want to offer a six-book deal, all with the same level of royalties and signing bonuses afforded you. However, if you would like to only do this one book (or any number in between one and six), given the terms of our arrangement (which, when decided, would remain the same throughout all books in the contract), we can accept that graciously. Either way, we are very excited to work with such a talented and prolific author.

## **ADVANCE**

As previously mentioned, Bestbooks would find it prudent to avoid giving Paige an advance at this time; we are already being quite generous with our \$10,000 signing bonus, and our offer of 7% royalties. If Paige insists on 10%, we have to lower the signing bonus to \$5,000. Either way, there will be no advance. If Paige insists on an advance, we have to give her a \$5,000 advance and a \$5,000 signing bonus – either way, it is the same amount of money, and it is what we have to offer.

The higher amount of money Paige asks for, the less capable we are of getting her book(s) in the hands of those who can read them.

## **NUMBER OF COUNTRIES DISTRIBUTED TO**

Naturally, Bestbooks is a worldwide distributor; the greater number of countries we send your book to, the more sales we will get. Our ideal would be 14 countries; that is a wonderful level of exposure for a book this big and high-profile – our sales would be wonderful, to both our advantage. Now, as your demands increase, our exposure capabilities limit themselves – we would only be able to send the books to 12 or 10 countries if an advance or higher royalty were decided upon. If a 10% royalty were insisted upon by Paige, we can only distribute the book to ten countries; this significantly reduces the number of books sold, and may not even be worth the percentage increase for Paige in the long run.

## **NUMBER OF BOOK CLUBS**

Our most important element is the number of book clubs that will adopt the book. In this age of information overload, having specific book clubs allows for slow exposure of many books that other readers have not heard of before, and they will be more inclined to get them if the choices are fewer. What's more, higher-profile authors such as Paige will gain greater exposure and sales through these book clubs. We would like to get five book clubs to adopt this book if possible; at the very least, three. Any less than that, and not enough people will get a sufficient look at Paige's book, and interest will wane. In order to afford to distribute these books to so many book clubs, we need to forego the advance and have as low a signing bonus as possible; ideally, the profits from this exposure will more than make up for the lack.