Web-based Self-Publishing Explodes

Olga Kharif

Bob Young, co-founder of Red Hat, has had a nose for making money all his life. He started out running a typewriter-rental business, then rented out PCs, then ramped up Red Hat, which made a name for itself by selling free software.

So when I found out that Young is currently involved in a self-publishing venture, called Lulu.com, I became intrigued. Particularly since Amazon.com recently acquired BookSurge.com, another online print-on-demand service.

Turns out, the book printing business is becoming remarkably similar to printing money. Consider: The way Lulu.com works is, prospective authors pick a layout out of a bunch available on the site. They then place their text into the layout and hit publish. Voila! The book is available for purchase via Lulu.com or, as the case may be, through Amazon.com. Whenever a customer buys a book, Lulu.com's software automatically takes care of fulfillment (the printing, the mailing), so the book is never touched by a human hand. Then, Lulu.com -- which also publishes music and movies -- takes a 20% cut of the profit.

Not bad, huh? Particularly considering that Lulu.com already offers more than 30,000 books, and it publishes about 1,000 new titles each month. Young says he hopes the company's sales to reach $10 million by 2006.

Actually, I am not surprised that online self-publishers would do well. Nearly every person I know is planning to write a book some day or is already writing one. Traditional vanity publishers typically take a cut of 50% or more, as well as an upfront fee of several hundred dollars. Comparatively, Lulu.com is risk-free and dirt-cheap. If your books don't sell, you don't pay anything, period.
I wouldn't be surprised if online self-publishers grab a major chunk of the publishing market. There's money here, all right. Otherwise, Bob Young wouldn't be here.

By the by, Young tells me that it's his own experience with the publishing industry that made him realize that self-publishing was a golden opportunity. Several years ago, he published a book on the history of Red Hat that sold only 15,000 copies. Its publisher eventually went out of business -- because, Young says, it's increasingly difficult to make money off of books.

Unless they are printed on-demand, online, that is.

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