

Research Summary: Direct-to-Reader Publishing Platform

Sources: <https://customer-research-studio.vercel.app/research>

Executive Summary

This document synthesizes research from customer interviews, Reddit discussions, industry reports, and market analysis to inform product strategy for a direct-to-reader publishing platform. The research reveals a clear opportunity: **self-published authors increasingly recognize the value of owning customer relationships and earning higher margins, but current solutions are fragmented, technically complex, and don't address discovery challenges.**

Target Customer

Primary Persona: Business Non-Fiction Self-Published Authors

The research most strongly supports targeting **self-published non-fiction authors who view their book as a business asset**, not just a creative product. These authors:

- **Write books to build their careers or businesses** — books serve as lead generation for speaking, consulting, courses, and other services
- **Already understand audience ownership** — they often come from entrepreneurial backgrounds and immediately grasp the value of customer data when explained
- **Have existing audiences to leverage** — they're active on LinkedIn, podcasts, and newsletters, giving them distribution channels beyond Amazon
- **Want to create product ecosystems** — workbooks, digital products, membership sites, consulting services

- **Are DIY-capable but strategy-lost** — they can build technical solutions but lack marketing playbooks to maximize their owned audience

Supporting Evidence

"Authors want accountability partners who combine coaching, developmental guidance, and publishing project management"

Mike Steadman responded "enthusiastically" to direct sales features, particularly the ability to know who's buying your book and build relationships with readers

Jashin Lin, with 5,000+ digital product sales already, "immediately grasped" the value of owning customer data through direct sales

Secondary Persona: Fiction Authors with Established Backlists

A secondary segment exists among **fiction authors with multiple books and existing audiences**. The research shows:

- Newsletter marketing is particularly effective for romance authors
- A 15,000-subscriber email list built over 5 years guarantees bestseller status in niche categories
- However, fiction authors report paperback sales represent only ~2% of total sales, reducing the margin differential impact

Pain Points

1. No Ownership of Customer Data (Critical)

This is the most consistently cited pain point across all research sources.

- Amazon and IngramSpark retain all customer information — authors cannot follow up, upsell, or build relationships
- Authors don't know who buys their books, where buyers come from, or how to reach them again

- Even 10,000 direct sales through cobbled-together systems only yield ~100 reviews because Amazon/Goodreads remain the "system of record"

"Lack of customer data is a major gap — authors don't know who buys their books through traditional channels like Amazon or IngramSpark"⁴

Jay Yang's primary frustrations: "cannot track where buyers are coming from, doesn't have access to buyer information (names, emails), and is unable to create product bundles"¹⁶

2. Poor Margins Through Traditional Channels

- *Authors consistently report earning only \$3 per book through Amazon on a \$16.99 sale, versus \$7-8 through direct sales.**
- Amazon paperback royalties leave authors with ~18% of sale price
- Retailers capture 40-55% of cover price through trade discounts
- Traditional author royalties range 10-15% versus 35-70% for self-published through KDP
- Direct sales through platforms like Payhip allow authors to retain over 90%

3. Platform Dependency and Volatility

Amazon's dominance creates existential risk for authors.

- Amazon controls 70%+ of ebook market and 40%+ of all new book sales
- Authors report arbitrary account terminations, book removals, and difficulty reaching human support
- One author lost a 5-year-old successful book (20k+ sales, 630+ reviews) to Amazon's automated moderation
- Authors who leave Amazon report losing 75% of sales

"Amazon can terminate accounts with little explanation or recourse"⁹

"Publishers have virtually no leverage with Amazon since they work through distributors"

4. Fragmented, Complex Tooling

Direct sales require authors to become integration engineers.

The current ecosystem requires 5-8 different platforms:

- E-commerce (Shopify, Payhip, WooCommerce)
- Print fulfillment (Lulu, BookVault, IngramSpark)
- Email marketing (MailerLite, Beehiiv, ConvertKit)
- Digital delivery (BookFunnel)
- Distribution (KDP, D2D, IngramSpark)
- Landing pages (Unbounce, Squarespace)

"Motivated authors will cobble together fragmented solutions (Squarespace + VA + manual fulfillment) when no unified platform exists" 11

Shopify's \$39/month cost is "seen as prohibitive for lower-volume indie authors despite better print integration" 2

5. The "Now What?" Problem

Authors capture emails but don't know how to use them.

- Seung Paik built a 500+ email list but has only sent one thank-you email
- Dan Innarella has clear aspirations for digital products but feels "overwhelmed by the technical requirements and platform decisions"
- The gap between publishing and marketing "feels like climbing another mountain"

"Email capture is only half the battle — the 'Now What?' problem shows authors need guidance on email marketing strategy, not just collection tools" 11

6. Discovery Remains Unsolved

Direct sales don't solve the fundamental discovery problem.

- Discoverability on personal websites is "essentially zero without active marketing"
 - Cold traffic acquisition via paid ads is "largely ineffective" — authors report "digging a financial hole"
 - Brand trust is a critical barrier: customers are reluctant to share payment credentials with unknown platforms
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Opportunities

1. Unified Direct Sales Platform

A "Shopify for books" that combines e-commerce, fulfillment, and email in one platform.

The research strongly supports demand for:

- Direct sales with customer data ownership
- Print-on-demand integration without inventory risk
- Email marketing built-in (not a separate tool)
- Premium bundles and flexible pricing

"There is clear interest in a solution combining email/audience tools with print fulfillment"

"100% revenue retention is a major value proposition for direct-selling authors"

2. Premium and Bundle Products

Authors want to create premium editions and bundles that Amazon doesn't allow.

- Premium bundles drive ~50% of revenue for successful direct sellers
- \$95 hardcover editions are viable for authors with strong brands

- Bundles with consulting, courses, and services are a key monetization strategy

Paul Millerd rejected a \$70,000 Penguin deal while making \$10,000/month in royalties on 2,000 copies — then created a \$95 premium hardcover²⁶

3. Cross-Promotion Networks

Authors want community-based discovery solutions.

- Newsletter swaps between authors are effective for discovery
- Authors express "strong interest in cross-promotion networks and author collaboration"
- The "bookstore as protagonist" strategy achieved 90% acceptance rate with indie bookstores

4. Email Marketing as the Growth Engine

Email is consistently cited as the most effective book marketing channel.

- A 15K email list guarantees bestseller status in niche categories
- Author-branded emails achieve 60% open rates vs. 20% industry benchmark
- One business reported 80% of revenue came from their email list

"Email marketing is the most effective book marketing channel, making customer contact data ownership critical"¹

5. Audiobook Fulfillment Gap

Multiple authors cite audiobook direct sales as a critical unmet need.

- ACX/InAudio terms described as "terrible"
- BookFunnel mentioned most often as current solution but not ideal
- Authors want to include audiobooks in direct-sold bundles

6. SEO and Discoverability Through Content

Full-text indexing creates unique discovery opportunities.

- The concept of "SEO-indexed book sections and shareable snippets resonated strongly as a discovery/sampling mechanism"
 - Publishers are investing in content-driven sites to capture reader data directly
 - "Liquid content" and "answer engine optimization" are emerging trends
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Competition

Print-on-Demand & Distribution Platforms

Amazon KDP

- **Dominance:** 70%+ of ebook market, 40%+ of all new book sales
- **Strengths:** Massive reach, Kindle Unlimited visibility, seamless fulfillment
- **Limitations:** No customer data, 30-65% revenue cut, KU requires exclusivity, arbitrary enforcement
- **Author sentiment:** Necessary evil — "losing 75% of sales when banned"

IngramSpark

- **Position:** Primary print distribution for bookstores and libraries
- **Strengths:** Global distribution, bookstore access, Share & Sell links
- **Limitations:** No buyer contact information even with "direct" links, complex setup
- **New feature:** Share & Sell links allow direct purchases but still no customer data

Lulu

- **Position:** Most flexible POD for custom formats
- **Strengths:** Shopify integration, no minimums, global fulfillment
- **Limitations:** Not a marketing or audience platform

Draft2Digital

- **Position:** Aggregator for wide distribution (acquired Smashwords)
- **Strengths:** Easier multi-platform distribution
- **Limitations:** No direct sales, no customer data

BookVault

- **Position:** High-quality full-color POD
- **Strengths:** Premium print quality, UK-based
- **Limitations:** Significant quality control issues, packaging complaints, limited to US/UK

Direct Sales Platforms

Shopify + Lulu Integration

- **Position:** Current best-in-class DIY solution
- **Strengths:** Full e-commerce flexibility, Lulu POD integration
- **Limitations:** \$39/month barrier, complex setup, no author-specific features, requires separate email tool

Payhip

- **Position:** Low-cost digital product sales
- **Strengths:** Free tier, 90%+ revenue retention, handles taxes
- **Limitations:** Better for digital, limited print integration

Curios

- **Position:** Emerging direct sales platform
- **Strengths:** 100% revenue retention, merchant of record (handles taxes/CS), beta testing physical fulfillment
- **Limitations:** New/unproven, limited features currently

Beventi

- **Position:** Direct sales with fulfillment
- **Strengths:** 6% total cut (3% platform + 3% CC)
- **Limitations:** 200-copy minimum order requirement

Email & Audience Platforms

BookFunnel

- **Position:** Ebook/audiobook delivery + reader magnets
- **Strengths:** Newsletter swaps, reader magnet delivery, audiobook support
- **Limitations:** Not a sales platform, limited email marketing

Beehiiv/ConvertKit/MailerLite

- **Position:** Creator email marketing
- **Strengths:** Audience building, automation, monetization tools
- **Limitations:** Not book-specific, no fulfillment integration

Hybrid/Full-Service Publishers

Girl Friday Productions

- **Position:** Hybrid publisher with white-glove service
- **Strengths:** Quality production, hand-holding
- **Limitations:** Expensive, lacks name recognition with bookstores

New Degree Press

- **Position:** Crowdfunding-based hybrid publisher
- **Mentioned:** Mike Steadman's first book published through them

Emerging/Adjacent

Holloway (Current)

- **Position:** Digital-first publisher with web reader
- **Strengths:** Full-text indexing, shareable sections, direct sales
- **Limitations:** Limited production flexibility, small catalog

Cashmere.io

- **Position:** AI licensing infrastructure for publishers
 - **Relevance:** Signals publisher interest in new revenue streams through AI
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Industry Dynamics

Self-Publishing is Winning

The market has fundamentally shifted toward self-publishing.

- Self-published titles reached **2.6 million in 2023** (7.2% increase) while traditional publishing declined 3.6% to 563,019 titles
- Self-publishing output has **more than doubled within a decade**
- Annual self-published book sales estimated at **over \$3 billion**
- Amazon KDP alone paid **\$650 million in royalties** in the past 12 months

"Self-publishing has transformed from 'the option of last resort' to the 'option of choice'"¹⁰

Print Remains Dominant

Despite digital hype, print books continue to dominate.

- Print books maintain majority market share over ebooks
- Physical books remain important — "digital-only approaches miss readers who prefer tactile experiences"
- Audiobooks are the fastest-growing format segment

The "Direct" Movement is Real

Publishers and authors are both pursuing direct reader relationships.

- Major publishers (PRH, HarperCollins, Macmillan) have launched topic-focused sites to capture reader data
- Publishers are shifting resources from book-specific marketing to building proprietary email databases
- Stripe Press, Author's Equity, and others demonstrate demand for author-controlled premium experiences

"Publishers' key advantage over Amazon is facilitating emotional reader-author connections beyond functional retail relationships" 17

Platform Economics Are Shifting

The creator economy model is coming to books.

- Gumroad model (free + percentage) resonates with indie creators
- Platforms like Patreon and Beehiiv prove subscription + transaction models work
- Authors want the flexibility of creator tools with book-specific features

AI is Disrupting Discovery

Search traffic is declining, requiring new discovery strategies.

- Google search traffic to publishers down **33% globally, 38% in the U.S.**
- Newsrooms are "encouraging journalists to act more like creators"
- "Answer engine optimization" (AEO) emerging as new discipline
- Full-text book indexing creates unique SEO/AEO opportunities

The "Two-Week Window" Problem

Traditional publishing abandons books quickly.

- Books have only two weeks to prove their worth before publishers move on
- Up to 70% of publisher revenues come from passive backlist income

- Less than 6% of traditionally published books sell 1,000 copies in year one
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Key Research Gaps

The following areas would benefit from additional research:

1. **Pricing sensitivity** — Limited data on what authors would actually pay for a unified platform
2. **Fiction vs. non-fiction differences** — Most interview data comes from non-fiction authors
3. **International markets** — Research heavily US/UK focused
4. **Audiobook economics** — Direct audiobook sales logistics need deeper investigation
5. **Print quality comparisons** — Limited objective data comparing POD providers