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Owning the reader relationship

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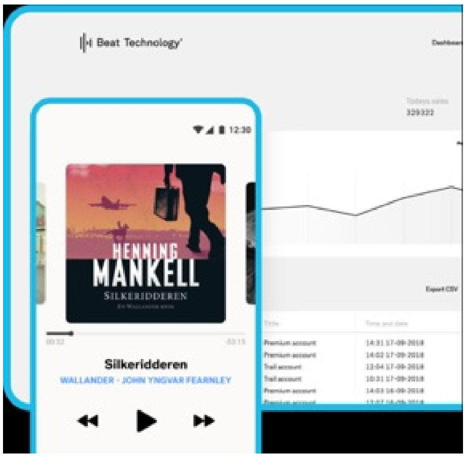
UK publishers are missing out on the huge benefits of running their own subscripion services, Nathan Hull argues

Alongside the many challenges Covid-19 has thrown at the publishing industry, it's also held a spotlight on the success stories of publishers already armed with a strong digital strategy and sometimes even a direct-to-consumer outlet. These successes are further expanded if you happen to be a European publishing house with a vested interested in the manifold subscription platforms for ebooks and, in particular, audiobooks.

As Netflix, Disney+, Prime and others benefited from people's lockdown dollar, so has virtually every ebook and audiobook platform you care to name. With numbers ranging from the modest 80% growth to the outrageous 600%, it's fair to surmise that profiting from a slice of that growth would be welcomed by publishers in the current climate. And, across the furthest stretches of Europe, this is the case.

The Nordics, Netherlands, Germany, Eastern Europe, Russia, France and Spain all have examples of major publishing houses who own, co-own or, in some cases, are owned by, subscription services. In the UK this would seem a strange, or at best a far-flung concept. But why? The UK market is dominated by one retailer and one audiobook source, but the UK isn't unique in that respect. Indeed, one could argue that the UK doesn't face hurdles or considerations faced in other countries.

For the publishing houses who've taken this leap, there is 24/7 connection with their readers. Via apps they're in their readers' pockets, by their bedsides, in their cars, in front of their eyes and in their ears - much like our beloved books and audiobooks. But in true Orwellian style, now the publishers are squarely connected and can communicate directly via personalised real-time recommendations, push notifications and even geographically selected titles based on location.



The publishers and platforms who have been doing this the longest are not only seeing incredible digital revenue growth but also a stronger print market. Sitting a self-owned subscription platform (and note this doesn't have to mean settling for low-grade revenue share payments folks, you're in control!) alongside all the additional retail strands, allows the publisher to control what goes where, when and in some cases, at what price. It allows a full view of all reader and consumer types. It's insights can drive heavier print sales or radically uplift an author's backlist. Perhaps the greatest rewards for publishers from owning their own services is live active usage data - something woefully amiss with every title sold on any market-dominant retail or subscription platform. This invaluable direct dialogue with the readers is way beyond the old guard of mailing lists, social media followers, extracts in printed books and advertisements for authors' other titles in the back pages. Now, it's a science.

Retaining readers

Both algorithmically and via human curation, these platforms can provide perfect customer satisfaction by suggesting the ultimate “next read”. Similarly, if you're a reader who likes a surprise, then the platforms can throw you deep into the backlist and suggest the completely unexpected. Based on one's users' reading habits, breaking new authors becomes a much easier task. These methods and that perfect next-read, ultimately become habit-forming, and the formation of such habits, and platform stickiness, is gold dust. In tech speak, reader satisfaction becomes user-retention, and that's prime focus for subscription models.

For a publisher who has invested in its own such platform, this user/reader-retention translates as a repeat reader. Publishers automatically have the route to reach and re-reach a reader over and over with relevant titles to enjoy. Without this route, they're reliant on marketing spend, paid-for placement, PR and co-operative deals - all of which ultimately may sell books, but require money, time and repeated effort for every title published.

In some markets where publishers also own bricks and mortar retail chains, a significant subscription base can also be the vehicle for driving enhanced footfall into shops. The omnichannel approach of publisher/shop owner/subscription platform can really come into effect with all manner of incentives and reward schemes - all manufactured for reader satisfaction and enhancing that relationship between the publisher and readers.

Embarking on the creation of your own platform of course takes courage, desire, a little time investment and some new skillsets. The approach is also nuanced, based on a market's unique circumstances - the economy, device penetration, uptake of other related music or TV platforms, the competitive landscape and more. But the diversity of the countries where these publisher-backed platforms are in place is pretty wide; and yet the shoe still seems to fit.

Amazon-dominated markets, Audible-centric audio markets, countries where Storytel has entered early and established an early precedent; countries where there's either a wealth or dearth of choice for platforms, countries with huge piracy issues or markets with illiteracy challenges; from Europe to Latin America, from Asia to the Middle East, publishers are starting either to go it alone or striking partnerships with peer houses. And the majority are doing it successfully. They are seeking to gain market share by breaking strangle-holds, monopolies and over-dominance, but most of all, they are looking to re-engage directly with their readers and reward them with an abundance of relevant stories, access to authors, exclusive content, an amazing consumer experience and a sense of belonging.

No longer should the question be why, it's simply why not.

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