



EPISODE 162: WRITING TO MARKET: USING BIG DATA TO FIND YOUR NICHE – WITH ALEX NEWTON

Speaker 1: On this edition of the Self-Publishing Show.

Alex Newton: We have authors in there who've been consistently the top 100 of these bestseller lists year in, year out. Once you've found your niche and you dominate it, there is really good news that you can maintain position.

Speaker 1: Publishing is changing. No more gatekeepers. No more barriers. No one standing between you and your readers. Do you want to make a living from your writing?

Join indie bestseller Mark Dawson and first-time author James Blatch as they shine a light on the secrets of self-publishing success. This is the Self-Publishing Show. There's never been a better time to be a writer.

James Blatch: Hello, and welcome to the Self-Publishing Show with James Blatch.

Mark Dawson: And Mark Dawson.

James Blatch: Do you see how dynamic and excited I was at the beginning there to go with our dynamic openings?

Mark Dawson: Because you've had holiday.

James Blatch: Yes, I have had a holiday. I've been skiing in the Alps, the most beautiful mountain range in the middle of Europe, and that was very



nice. 800 miles down, 800 miles back, which I realize is driving for lunch in Texas, but for us it's quite a long way to drive.

Mark Dawson: It's a long way.

James Blatch: And I know we're not supposed to talk about the weather, but I can't help but mention the fact that we seem to be having spring in the middle of February, which is-

Mark Dawson: End of February.

James Blatch: Sorry?

Mark Dawson: End of February. It's March tomorrow.

James Blatch: End of February. Yeah, that's true. Oh, it will be March by the time this goes out.

We should say right at the top that one of our periodic openings of enrollment, an opportunity to join a premium course created by mainly you but also me and quite a few other experts around the world, Self-Publishing 101, the foundation course to get you going on your self-publishing career, is open and you can find more details at selfpublishingformula.com/101.

You, sir, have been on the radio.

Mark Dawson: I have, yes. I was on Radio 4 last Wednesday, on Money Box Live, which was quite entertaining.

Radio 4, for those not in the UK, is the national radio. Would've been heard by, I don't know what their figures would be. Half a million, something like that?

James Blatch: I have to say it's the default radio station in my house, in my kitchen. So if I go in, I listen to Radio 4 during the day. This is not like America where there's a billion radio stations. It's fairly concentrated.



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I often describe it as PBS because it sounds a bit like PBS in America and talk radio, news orientated. But it's like PBS but people listening to it. There's probably a difference.

Mark Dawson: I was in there to talk about the financial side of publishing, so not just self-publishing. We had an agent from Curtis Brown, who was lovely, called Carolina.

I think perhaps they were looking for us to have a scrap, which we weren't going to do, though. She was very nice and I'm not keen on arguing some of the time.

So we decided to have a back-and-forth talking about what was possible these days from the trad side and the indie side, and the presenter was asking decent questions.

It's half an hour, which goes by very, very quickly. They also had some questions from callers calling in. Had a couple of SPF people on the line whilst I was in the seat, which was quite amusing. Elizabeth Hurley was one of them, so thanks for that, Elizabeth.

And they had an author who had had a trad deal and did pretty well, I think had about 150,000 pound advance but then was explaining how, over the course of two or three years, which is how long that contract ran for, when deductions are taken into account it doesn't actually amount to a huge amount of money even though it sounds, when you say it, 150 grand, it sounds like a lot of money but when you split it down that way it becomes not quite so much so quickly.

She, I think, her second deal, her first book didn't sell all that strongly and the second deal she had a 5,000 pound advance, so from the sublime to the ridiculous for that one.

We chatted about it for a while and it was good. It was, I think had a few people on Twitter afterwards, because Radio 4 tweeted it out and then a



few large-ish influencers, maybe 10,000 or 20,000 followers, commented on it. A couple of authors commented on it.

Some people had a go at Amazon and all of that kind of nonsense. So just had a little bit of back-and-forth with people, a couple of people saying, who just do not get self-publishing. They don't understand it.

I think one of my responses was I didn't understand what the publisher was doing for the 85% they were taking every time they sold my book once the advance was gone. And someone came back, "Well, I don't understand what Amazon is doing for it's 30%."

James Blatch: Oh, really? I can see exactly what Amazon's doing.

Mark Dawson: Yeah, I kind of understand it. Amazon isn't actually doing much in an active capacity, but they've built the platform. There would be no self-publishing without Amazon. Yeah, it was a silly comment.

But what I've taken away from that is that if we needed any further underscoring of this is that we, people who are listening to this podcast, we're miles ahead of the general public. They don't know what's possible.

They still think self-publishing is going to a dodgy print shop and filling the back of your car with dodgy paperbacks. Even on the interview, I managed to get my favorite line at the moment, "The vanity of publishing is wanting your book in a shop at any price. That's vanity."

Whether they understood what I was talking about, I don't know really. But we've had some nice comments as well, and we broadcast into the community and it is nice to go into that for indies and independent publishing.

James Blatch: That's what I was thinking as well listening to it, and I'm pleased you said that. Because I'm hopefully on the cusp of publishing my books.



PODCAST TRANSCRIPT

I feel in some ways I'm a bit late. I talk to so many people who are so far ahead, like yourself and others down the line. I hear people say, "Well, it was easy in 2009." Occasionally, somebody in my position, there'll be lots of people listening as well similarly, thinking, "Well, is it all going to be mainstream by the time I get there?"

But we're so far from being the mainstream. We are still this vanguard. Not only is self-publishing still in the vanguard, but if you're listening to this show you've taken these steps into understanding how to do it properly, you really are in a small minority.

But I think I mentioned this at the time. Newsnight is a BBC television program in the evening, and The Culture Show. They have Mary Beard, who hosts book and author interviews, quite high brow. And lovely Dreda Say Mitchell was on there fantastically for her and for us in the self-pub industry because the other three just glazed over the whole prospect of self-publishing and were snobbish to the point of, "Well, it's not really about the money," except the traditionally published author who probably, in reality, was sitting there looking at Dreda thinking, "How much money are you making? That can't be right. I'll have to come up with some other reasons to why I've signed this deal and signed away all this money." But, there you go. So we've got a few years yet before everyone else catches up.

Mark Dawson: Yeah, exactly. And that does segue quite nicely into 101 and the 101 course and what's possible.

This is the foundation course that will show people what I've done to build my business to the level it's at now. I had a book, as we record this, out today and that's selling pretty strongly.

James Blatch: It's in the emails.



Mark Dawson: Yeah. It's the foundation for that kind of business. I know you've been gathering testimonials at the moment as we push the course out, and you went to see Jason Dobleche yesterday.

James Blatch: I did. The way you say that, Jason Dobleche, sounds like it should be the chief inspector's name in his novels. He's a crime writer set in the north of England, in Yorkshire, I think.

Classically, Jason knew what most people who sit down and write a book knew nine months ago, ten months ago when this started, and of course, he tried to get an agent. He put together these bundles and he did it all, and he heard nothing; did it all again, heard nothing; did it all again, heard nothing; did it all again, got a rejection; did it all again, heard nothing.

So 10 go out, a couple of rejections. He's supposed to send 100 out. If you Google the question, "How many times should I send out before I get an agent?" apparently it's 100.

He just thought, "There's got to be a better way," and stumbled across us, you in particular, took the 101 course, and he said, "I'm not particularly technical," so he thought, "Am I going to be able to do this?"

Well, nine months later he's got six figures of income, of turnover. He's predicting, he's on course for \$150,000 in turnover in his first 12 months, and he wants to double that next year. We had a conversation afterwards where he said to me, "I think doubling it's probably a conservative estimate, but I'm just being cautious about this." He can't get that smile off his face, and he's smiling because he's writing for a living.

He was telling me his wife is an engineer in power stations, and I think she was on maternity leave. He was a stay-at-home dad. And while she was home as well she said, "Look, you always wanted to write. As a kid you always wanted to. You've talked about it. Why don't you just give it a go now? Just write this book."



PODCAST TRANSCRIPT

So a very short order of time with a supportive wife and you, the jewel in the crown, his life's been turned around, which is fantastic. He's a lovely guy to meet.

We can't get enough of those stories. We hear them quite often, but we can't get enough of them. That's what's exciting about our community at the moment, and I mean that in the wider sense of self-publishing.

Mark Dawson: I saw the testimonial, and he's smiling like a Cheshire cat all the way through it, and it's great. I love those kinds of stories because there's people realizing it isn't rocket science.

I'm not technically amazing either, but if I can do it, I think I can teach it pretty well. It is just a question of sucking up the information, putting it into practice, and write a good book. That's a given.

You have to be able to write good books, but provided you can do that, it's never been easier to find readers and to sell books and to make, often, significant amounts of money.

Jason is very far from being the exception or unusual when it comes to making six figures a year from self-publishing. Probably if I put my head around it, I could probably think of about 50 people.

And of course, Amazon in the investor's letter last year, Bezos said, I think they know of 1,000 authors who have made 100,000 or more in terms of their income through KDP only in 2016 or 2017.

I love that stat, because what that doesn't say is how many people made 50,000 or how many people made more than they would've made as a traditionally published author, so like 10,000 or 15,000. It's got to be thousands. So that kind of information is, if you need inspiration and motivation to push on, then that's what you need.

James Blatch: And who wouldn't say no to \$1,000 a month?



Mark Dawson: Absolutely, sitting in your pants writing.

James Blatch: And even if you're still doing your full-time job, pays your mortgage and gets you doing what you love, which is writing. So yeah. All of that's happening at the moment, and you are listening to the show in the right place at the right time, I think which is great.

[Selfpublishingformula.com/101](https://selfpublishingformula.com/101) if you want to learn more about the 101 course.

I've told Jason I really think he would be a good podcast interviewee a bit further down the line, so later this year I'd go back. Luckily, he lives next to a very busy front line Royal Air Force station.

Mark Dawson: Oh, God.

James Blatch: So I was able to stop and see some F35s flying on the way back.

Mark Dawson: You will get arrested.

James Blatch: Yeah, I would. I'd like to hear the detail over 40 minutes exactly what steps he took, how he went from having his finished manuscript to \$100,000 income in nine months, and I think we'd all like to hear that.

I want to welcome a couple of Patreon supporters who've joined us this week. They are Ellis Johnson. Do you know how to say this, by the way? You're an East Anglian boy, aren't you? Can you see it in the chat?

Mark Dawson: No, I can't. I can say Ellis Johnson.

James Blatch: She's from Bungay in Suffolk.

Mark Dawson: American people, actually, non-Americans ... Sorry, non-English people, it looks like Bungay. But it's actually pronounced bun-gee so that's your pointless fact of the week.



PODCAST TRANSCRIPT

James Blatch: Yes. You don't say ben-gee, do you, for Bengay, the cream?

Mark Dawson: I do.

James Blatch: Oh, you do.

Mark Dawson: No, I don't.

James Blatch: And Jason Bonet, who's from Kansas City.

Mark Dawson: I think that's Bonet, actually.

James Blatch: Bonet.

Mark Dawson: Not really. Sorry, Jason.

James Blatch: What state is Kansas City in?

Mark Dawson: That is in ... Oh, goodness. How annoying. Missouri? No. Goodness, that's annoying. I should know that. You know, though. You're just teasing me.

James Blatch: No, I do know it. Their border goes, I think, through the city, but I have a feeling that famously the Kansas City Royals are in the other state.

Mark Dawson: What state is it?

James Blatch: I've forgotten.

Mark Dawson: Ah, so you don't know. When you said you knew it, you were lying.

James Blatch: I do know it. I used to know this fact. Everyone's shouting at us again on the radio. But there's a state line. What's the next state to it? It's not Missouri, is it? Maybe it is Missouri. St. Louis is Missouri, isn't it? It's around there. I don't know.



PODCAST TRANSCRIPT

Mark Dawson: We're making ourselves look really stupid.

James Blatch: Old men rambling about stuff they don't know.

Now, we have a really data-heavy episode today. Do you like your data? Are you a data man? Are you a data guy? You're not data guy.

Mark Dawson: I'm not the data guy. We know who that is. But yeah, I like data. I wouldn't pretend to be a genius at it, but I like a nice spreadsheet.

James Blatch: I like a spreadsheet too, and a guy who really likes it is called Alex Newton. Actually, he's called Alex Niehues but we say Newton because people have difficulty getting their tongue around that German surname.

Alex has been one of the people, we talk about vanguard, in an area of scraping and analyzing and giving you an easy access to the type of granular detail that in any big company there'll be small departments of analysts who work there, really poring through the detail, knowing that there's gold somewhere in there, but if they can find these gaps in the market, if they can see which way trends are going, they can improve the profit line of their company.

Well, these are the sorts of things that, as independents running our small businesses, we need to be doing as well. We can do it thanks to the help of people like Alex.

Alex is the founder of K-lytics. I think he explains in the interview that he couldn't call it KDP-lytics, so it's called K-lytics, to give that away.

The interview's self-explanatory and there's a bit of stuff to go with it as well. So if you're watching on YouTube, you can see some of the graphs that Alex is talking about, and believe me, if you're selling books at the moment you will definitely want to go and check this out.

So let's hear from Alex, and Mark and I will be back for a chat off the back.



Alex, welcome to the Self-Publishing Show, live from Germany.

Alex Newton: Oh, thank you very much for having me. Hello, everybody.

James Blatch: It's a bit like the original song contest, this, isn't it? We're linking up Europe in a harmonious moment at a time where Europe's not as harmonious as it could be.

Alex Newton: It is right, but right now, here, I live in a small town in Germany, a small village. The world is cool, sun is shining, winter is probably finishing hopefully soon so everything fine on this end.

James Blatch: Excellent. Well, I hope winter doesn't finish quite yet, because I'm going skiing in 10 days so I need winter for one more week.

Alex, look, you've been in this industry for a long time, 20-odd years, I think, probably in publishing from beginning to end?

Alex Newton: Well, I think one has to be precise.

Now, in the self-publishing industry I've been for five years, ever since I started up with K-lytics. I started some 20 years ago in the very publishing industry, but then I basically spent 20 years in corporate strategy consulting, and there I basically worked very much across industry, both media, transportation, you name it.

So it was a school to learn how to analyze problems and hopefully explain the solutions based on data and facts in a very simple way.

James Blatch: That's interesting. I hadn't realized that your analyst background stretches across multi industries.

Alex Newton: No, there's multiple industry. In fact, I worked for the big, fat consulting companies. I've been a partner in TEEC before I left before that Booz Allen Hamilton. So big strategy consulting firms.



The whole philosophy there, working across industries, was to try to shed light into complex problems but using facts rather than opinions. So I spent 20 years crunching numbers or in the end obviously had team members crunch the numbers, and I had to draw conclusions for corporate CEOs.

James Blatch: Every one of us self-published authors is a corporate CEO of their own little company, so this stuff is important to them. And we're in a golden age of data, aren't we?

I guess when you started 20-odd years ago there were still surveys and the data wasn't as precise, whereas today the amount of precise data available to us is awe-inspiring.

Alex Newton: Absolutely. Back in the day, you did have the data but it usually took quite some effort to make it into an analyzable format. Spreadsheets were just at the very beginning. Databases were there, but it was cumbersome.

I think nowadays the issue is you have big data, but that doesn't necessarily mean big information. I think the big challenge nowadays is to turn big data, whether it is for big corporations or for a self-published author, to turn it into actionable information, which is quite different from data.

James Blatch: Okay. We're going to talk about K-lytics in particular, but first I want to really pick your mind as a man behind the data to give us some big answers, then, now that you've set out your stall there.

Here's a big one. There appears to have been a down slide in ebook purchases, which the traditional publishing industry seemed to laud a couple of years ago. That's been, I think, debunked.

What's your view at the moment of how buoyant the market is if we look at KDP, for instance?



Alex Newton: I think you have to see two sides of the equation. The one side is obviously the supply side of the industry. Are authors still investing time, money, and creative resource into bringing out new works?

There, the answer is a very clear yes. The apparent status is we have more than 5 million English-speaking titles on Kindle, and last year there was a growth of about 20%. That's 74,000 new titles every month that people put up on Kindle.

So there is a relentless influx of new titles, and actually what came as a surprise to us was a re-acceleration because the year before we had some, I think, 17% growth in titles. Actually, only 14% in 2017 and back in 2016 it was around 17% growth in titles.

This year, 20% growth in titles as we entered into 2019. The supply side is very buoyant, and then you might ask, "Well, but how about demand? Because if these books end up on the virtual shelf and nobody's reading or buying them, obviously we have a problem with oversupply."

Here, I think the interesting part of the story is that, yes, the big publishing organizations, the trad publisher trade association, they try to give you the notion that it's shrunk, the markets. For example, the Association of American Publishers, they reported that ebooks, which for them represents only 6% of their market value, shrunk by 3%.

We asked, "Hmm, how come people invest 20% more in time and resources year on year if there is no demand?"

Amazon does not publish ... Well, they don't publish what their exact sales is on KDP, but you have indicators such as the global select fund, which grew to ... What was it? \$268 million in 2018, which is also a growth by 20%.

Now, does that mean the number of ebook rates has risen? Well, if the payout per page has been fairly constant, so Amazon is not throwing money to the authors by page, the share of books enlisted in KU has been



very constant, around 30 to 35%, and there is no indication that people just read more pages of their borrowed books. So that's one clear indicator that ebooks have risen in demand still.

But the most remarkable indicator we had was that if you look at the overall bestseller list on the Amazon store, not the Kindle bestsellers, the overall ones, which people think they are print bestseller lists, but they are not. They are cross format, and if you click on any book it will take you to that format that currently achieves the highest sales.

There we found a huge increase in the penetration, if you will, of bestseller lists by ebooks, as well as audiobooks, and prints were getting squeezed in the middle. So, thumbs up.

Supply is growing. I wouldn't argue that the demand for ebooks is growing by the same pace, but I'd say there is clearly an upside on the demand side for ebooks, good news for all authors out there.

James Blatch: And it reinforces what I think people know in their gut, which is that more people are publishing and moving to self-publishing, and that means, of course, that it's a more competitive market, which makes it even more important that people listen to the Self-Publishing Show and they follow and they use services like K-lytics to try and get an edge where they can. So let's start dialing down into some of the specifics, if you don't mind, Alex.

Alex Newton: Sure.

James Blatch: Some genres are more competitive than others, and I think your analysis is able to show that.

Alex Newton: Yes. The whole supply side is an interesting one because you have a certain gauge for genres by the categories.



Now, with some tricks you can still get Amazon to display the very size of categories, and you have 7,000 of them, right? If you dive into these 7,000, you have the 30 big ones.

In terms of book supply, what also always came to a surprise to me was religion and spirituality is the largest in book supply, as an example in terms of competitiveness. So more than 540,000 English-speaking titles are religion and spirituality.

James Blatch: We're all searching for something, Alex.

Alex Newton: Yeah, we're all searching for answers, right?

The very next one, unsurprisingly, romance, with close to 500,000 English-speaking titles, followed by children's ebooks, interestingly, because there is no demand whatsoever for children's ebooks. But everybody thinks they're so easy to publish for the last 10 years. That's an interesting one. As well as history is huge, and business and money in terms of book supply.

The interesting bit is that, obviously, on the demand side you have a completely different pattern. The number one we measure is clearly romance, followed by mystery, thriller, suspense, and sci-fi and fantasy.

There is a bit of a mismatch between supply and demand. Then you can really drill down into these 7,000 categories and there are, I think more than 400 that have only one book in it.

If you wanted to be a number one bestseller, you could go into some odd category and say, "I'm now the expert for whatever, travel in South Dakota regions U.S.," and write your travel book and you'll be a number one bestseller in 24 hours.

James Blatch: Even if you just use Google Street View, maybe, to write it.

Alex Newton: Exactly. But the point being is, and I can also, if you want, just very briefly illustrate this-



James Blatch: We should say for those people that are listening that, as always, we say have a look at these on YouTube because a lot of time and effort goes into the video production. And because we're talking about analytics, there are some graphs here.

We're going to bring some of those into view, but I'm going to do that now because I can see, Alex, you've put a very colorful graph up on the screen.

You have to bear in mind, some people are only listening so you will need to explain it. This looks to me, let me describe it. It looks biological to me.

Alex Newton: Yeah, it looks like cells under the microscope. For those people who are listening, it's basically a big graph of almost like snowflakes.

People who know K-lytics know this graph. It is the trademark graph because it shows the whole Kindle market on one page, and every little dot, of which there are like 3,000 on one page, represents a category.

Basically, it is the dot, the more it is to the right of this very graph, the higher the level of competition. So it ranges from categories that have 100 titles in it to categories that have more than 100,000 titles in it.

And the higher up the little dot is on the very graph, the higher the level of sales. What you can see on that is there are categories where you have very high sales compared to a relatively low level of competition.

That is what we call the green zone. We call it hot markets, being very small markets, which we call hot sales with less than 2,000 titles, very odd niches, not mainstream.

So without wanting to confuse the people, but it's actually very easy to grasp, you just start looking. If you want to write to market or want to hone whatever you do a little bit more to the economics of the business, which if



you are an entrepreneur and a self-publisher, you should look at the economics of the business. We just have to face the facts.

If you want to write a book about gardening and horticulture, the average sales rank across the top 20 titles is less than 50,000. So you won't pay the bills with that.

However, if you go into attractive niche markets such as whatever, take military romance or these sub-sub-romance categories, you can potentially make a living.

James Blatch: This is a really useful graph, and it gives me an opportunity to talk a bit about K-lytics before we go on talking about the industry. K-lytics, clearly somebody who is a subscriber, I guess, to your service has access to this level of information.

Do you want to just explain what K-lytics is?

Alex Newton: Well, in a nutshell, and I took notes here because if I only knew what it was, right?

Mark Dawson might not know. It was so funny because you gave me an honorable mention in, I think, Podcast 135 you had about the indie author toolkit.

There, Mark explained to you what K-lytics is, and he said, I quote, "K-lytics is a service whereby reports are generated, looking at niches and genres that may be underserved, so high in demand, low competition niches, there would be good if you're looking into right market. So you can pay them, the K-lytics guys, you can actually pay them to produce specific reports on something you'll be particularly interested in. So it's a data service that will enable you to make decisions about your writing."

Now, I don't know whether he's read anything about it or just heard it, but when we started out five years ago, I said, "My mission is basically to enable



authors and publishers to make better and faster publishing decisions using data."

So in essence, we have a big database of some 7,000+ genres where we monitor the performance of all these categories. Since some people are not into spreadsheets and using databases, we have ready-made genre reports.

So if you are into, like Mark, potentially, into vigilante justice, we have a whole report that just dissects the whole market on vigilante justice and any genre almost. If you say, "No, that's not covered by us. I'm more interested in writing a nonfiction book about the mating behavior of Chinese vineyard snails," then we would prepare a custom report for you on that.

James Blatch: It's a subscription service, or do you buy a commission?

Alex Newton: Well, since we're serving both authors who may be focused only on one genre all the way to publishing companies, they have basically two models.

You can go onto the K-lytics shop, k-lytics.com/shop, where you can look at individual market reports, or if you say, "No, I also want to have access to all whatever, videos, tutorials, and the big database," you can buy a monthly or annual subscription and have all access to all of the data that we generate, use, and publish.

James Blatch: Okay. Let me see if I can think of an exact example. I'm going to quote Cecilia Mecca, who's a prominent member of the SPF community who's been writing in one genre and I think commercially as well as just stretching herself, wants to choose another genre, has recently done so.

She might go to K-lytics and would be able to, on a one-off basis, purchase the amount of data reports that she needs to make a decision about what particular brand of urban fantasy or romance, whatever she chooses.



Alex Newton: Absolutely. We would have reports on urban fantasy, paranormal romance, historical romance. If you're an elite member, you would get, say, in historical romance separate reports on what's Regency, what's Victorian doing, what's Scottish doing, highlander romance, World War II romance, you name it. That is how it works.

And we have a couple of authors who just want to stay tuned with trends that are across genres because they look at, "Well, I'm into mystery, thriller, and suspense but I really want to know what's happening in romance right now."

Then, all of a sudden, you see the romantic suspense going up there and you say, "Well, I could potentially do that too with my thriller and mystery background. So even people who are focused in one genre, we have many authors who are subscribers who just want to see what's happening across genres, what's trending.

James Blatch: Great. I think Cecilia's probably one of many, many authors who know they can write, enjoy writing, and want a change of genre. So this would be an excellent stopping-off point for them to make that decision.

Okay, well, let's get back to what the data's telling you at the moment, if you don't mind.

Another question that I've got is where indies are, because my feeling is that their market share is growing. Do we know that for sure?

Alex Newton: Well, now we do. There are no official numbers. Usually, we're focused more on the tactical or actionable stuff for an author, so not like the big-level numbers.

But we made an experiment last year and monitored the top 24,000 books, which basically constitutes probably 80% of the sales, and monitored them over a couple of months in 2018, these bestseller list positions. Then we looked at the sales ranks, ironed out the peaks and valleys, and calculated,



well, what is the market share of indies, all the books that have only just an author name, not even a publisher name?

You can approximate what's happening, and all the big publishers have obviously on the book page their publisher name.

The result was super surprising because on KU the single largest market share is with indie authors, and it was 37% so it's absolutely staggering. It may even be a conservative estimate.

Then, the next one was the big five so we saw the big five as the one aggregated unit, and then followed and growing very, very strongly the aggregate of all the Amazon imprints.

So I think you guys out there, indie authors, hybrid authors, whoever, you guys rock because you seem right now to grab the largest bit of the pie, and I think that is remarkable and I congratulate everyone out there who's been a part of the journey.

James Blatch: Wow. It's great to hear that because it certainly feels like that, but often the data, as you say, is counterintuitive to the way you feel. But that confirms something, and I think probably might be conservative because a lot of indie authors make their books look as traditionally published as possible, including having a publishing company name in there.

So very possibly, that's a slight under-representation, which is amazing.

Alex Newton: Yeah, absolutely. Even big guys like Michael Anderle and team, they wouldn't even be in there. They would clearly label themselves indie, so it may even be a conservative estimate. So I find it completely remarkable.



James Blatch: In financial terms, Alex, how much is that share worth? Do you know?

Alex Newton: Frankly, it's a bit tough to estimate but there are rumors out there that the complete market for ebooks, U.S.-based, is anything between like a billion and a billion five, taking this huge 85% ... Amazon share in the market and not just what the industry is out there. But I think Data Guy is probably more into those whole aggregate numbers for the whole market, which are hugely debated. So it's a huge chunk of money.

James Blatch: That's \$370 million dollars on that one particular platform for the indie share as a conservative estimate, so there's money out there to be grabbed. Well, we know that Dawson took a million of it last year.

Alex Newton: There you go.

James Blatch: That's not there for us anymore. He's got that.

Okay, let's move on to how people can action this. Alex, when you look at this data, does it give you clues as to how the successful indie authors are being successful apart from writing good books and marketing well?

Is there something they're doing in terms of placement that we can learn from?

Alex Newton: Well, absolutely. They have the secret formula. They publish numerous high-quality books in great quantity. No. Joking aside, that's obviously the magic formula.

But there is actually something to it on and off the data. The one is, which is off the data that's more my personal belief, there is the quality side, which has clearly also changed over the years from very low quality to higher quality, where I think right now to really succeed out there, if you look at many of the indie authors, they bring a certain level of craft skill.



They bring knowledge for the genre they write about, so if you take a guy who writes military sci-fi who has a military background, it will work. A person who's been very successful in military romance, she has a son who serves as a Navy SEAL.

A person who's into legal thrillers, which comes up with very high entry barriers because you have to have legal knowledge, there is knowledge. And that is combined in these people, to my mind, that they have a passion for it. Because if you write legal thrillers but have no passion for it, it won't work.

And this is where the data comes into play, they usually address a viable market. So as we discussed earlier, they target a market which is high in demand and there is hardly any market where you don't have competition but it's a difference whether you're writing vigilante justice thrillers, as an example, where you have, say, a book supply of some 2,000 category, versus you write contemporary romance, very broadly defined, with more than 100,000 titles in it. That is one thing that the data shows about the viability of the market of these indies.

The other is the prolificness, the quantity of it. We could also aggregate this data by the top indie authors, and the top 50 indie authors, each of them had at least, at any point in time, 15 books displayed in the top 24,000 at any point in time.

Obviously, those who earn the real money have, whatever, 10, 15 titles at any point in time in the top 2,000, top you name it.

So we then took all the data together, and the interesting bit was that about 40% of the whole royalty pie is constituted by published titles with an age or shelf life of less than a month old.

There is this balance between you have to constantly churn out new stuff. That's where 40% of the royalties are, new titles. The other thing is obviously managing your back list in a good way because the other 60%



are with books that are older than ... Sorry, not 60%, but there is a huge chunk, I think 55% of the books, that are older than one year.

James Blatch: Okay, so contemporaneous, your freshly released books are going to disproportionately earn your income, again, underlines what you jokingly said at the beginning is write more stuff and get it out there.

Fascinating to think about these genres. I guess for some people, it's almost coincidental but they happen to love and they've chosen accidentally before they even thought about the commercial aspects of it, a genre that's in that hot area that's not so competitive but well read.

And going back to the biological-looking graph, can you give us some more specifics if people are genuinely listening to this, thinking, "Do you know what, I could write in almost anything but tell me what I should be looking at if I want to choose a hot property, hot topic"?

Alex Newton: First of all, as important as it is to tell people what to write, is what not to write. Because you don't want to be in this area where you have hundreds and hundreds of categories or genres where the demand for just the top 20 titles or the very top of these categories, the demand is as low that you have less than 50,000 as a sales rank, as an average across the top 20.

So if you, as an example, took the worst-selling category that we measured last year, it would be some, "Hey, I'll write something nonfiction, crafts, hobbies in the home, woodworking decoys." I even had to look it up, like a duck decoy is a manmade object resembling a real duck. Duck decoys are sometimes used in duck hunting. There is a category for that.

James Blatch: That's quite niche.

Alex Newton: That is quite a niche. Well, you have like two books in it or so.



James Blatch: I mean, to write in that category you'd have to be quite good.

Alex Newton: Oh, I tell you. There is stuff out there, really bad-selling categories. In general, you find a lot of these in the whole nonfiction arena, where you have the problem that things like self-help, business, and money, well, they do sell but they sell more print and they're super highly competitive, and the small ones where people tell you, "Make a fortune on Kindle! Upload your grandma's cookbook." Obviously, that won't work.

If you look at the least competitive categories, there are tons and tons of categories with only one to 10 titles in it, but the demand is also very low.

But why am I saying this? If you don't write for the money but you write for the authority, so you say, "I'm, for example, in Silkscreen in Batik," you know, graphic design, "and I want to be the authority there and you say, 'Hey, I have this book and it is a legitimate number one bestseller, Amazon,'" that may help you to monetize your passion in another channel, whether it's YouTube, Information Product, you name it.

So also, these bad categories can be very helpful, not to directly make money, but to claim your spot in terms of authority.

But I know many of the people listening are, obviously, "Hey, what's happening here on the ... If we resume the share, what is happening here in this hot zone of categories where you have anything between 2,000 and 10,000 titles or even less and sky-high sales ranks."

Some of the good ones here, just had a current look, very brand-new categories such as domestic thrillers are big. Thrillers that are not necessarily in only hometown, but where the whole thing plays at home, neighborhood. Domestic thrillers, brand new category. Amazon just opened it up, had only this month 200 titles in it and sky-high sales.

Historical fiction, World War II has been doing well.



James Blatch: Yay!

Alex Newton: Westerns, frontier and pioneer, who thought that these mail order bride romance is dead? It's had a big upturn.

In mystery, thriller, suspense, this green zone, you would have things like what Mark is writing in, vigilante justice, very strong, things like female protagonist thrillers. There is no specific category for it so we analyze it across categories.

In romance in this area you have stuff like clean and wholesome romance, which we've been measuring over three years and which been doing exceptionally well as a counter-trend to this whole 50 Shades of Grey and erotica stuff that people get tired of.

Brand new category also there, since last month on Amazon is romance, action, and adventure. They try to find another home for romantic suspense but not so suspenseful, more action and stuff. That is new.

And also, for the sci-fi guys, here you have the military sci-fi, military fantasy, dragons, mythical creatures, the game literature, all there in this green zone. So a couple of good markets, and we can have another look at it if you want towards the end in the tool if you're interesting.

James Blatch: Well, it's interesting that you talk about how some of the categories have changed. You must have noticed trends.

I guess some categories die a death and other categories appear.

Alex Newton: Yeah. It depends on which level. You have basically 30 main categories ranging from romance all the way to travel. They basically hardly change over the years. We've seen only one or two changes in five years.

The next level down gets a little bit more dynamic, but this is where actually it was a big change to suddenly have last month Amazon opened this huge romance category, they opened a dedicated category for medical



romance, so romance involving doctors, that sort of stuff, a whole subcategory. So we'll be looking more into that one.

These changes happen, but it's more on the level three, four, and five that you see Amazon fiddling around with. And very often, they come up with categories where people go ... Instead of putting up a category where you may have real demand, such as lit RPG, although I know there's a trademark issue because I think the lead author has claimed a trademark for lit RPG, or reverse harem. You name it, these trendy things in 2018, there's no dedicated category. So you also have to look across category.

James Blatch: I was introduced to reverse harem very recently, and it was a new one on me, I have to say.

Okay, so let's get your crystal ball out. One of the things data people do, I mean, I have to say we're in a period of economic uncertainty with Brexit going on at the moment, and the people who are making predictions about the future are making a good living on TV, although I'm not convinced many of them are getting anything right. But it could be described as a mug's game in England.

Do you have some ideas for the future that are revealing themselves in the data, what's going to happen?

Alex Newton: I think it is very interesting to see that unlike what people believe, things in the book market don't change overnight, right?

Because some people, "Alex, you're saying that this month this is a hot niche, but then next month do I have to jump at a new genre?" There are changes, but there are also things that are very stable.

Just to illustrate that one here, because I think that opens the eye a bit for people who are watching and gauging trends, let me just resume here one slide, and for those people who are just listening, this is a slide because we



monitor the categories, we've been monitoring them now for close to five years, and that allows to look at stuff overtime.

This is where it becomes really interesting, and also a bit different. As many people go onto the Amazon website, they see something trending today, but three hours later it is not trending.

That's the most dangerous thing you can do, because sales ranks fluctuate by anything plus minus 25%, depending in which range you are, in just a couple of hours. So you have to aggregate data and look at it over time.

For example here, this graph, if you're listening, shows the average sales rank of the category teen young adult romance, sci-fi, and dystopian.

This whole Hunger Games thing where many young authors have been making a good living from, and you see there was the peak around 2015 where you still had the wake of this whole Hunger Games and the other big blockbuster movies, and you see it's been trending down ever since until the mid-2017 and then in 2018 we saw that something for it to pick up again.

Now, that is the Amazon data and you see it's a trend that's not from one week to the other. It's an evolution over time.

James Blatch: I think we should point out to people who can't see it that the actual nodes on this, data points on this graph, show dramatic peaks and troughs and yet what you've shown with a green line through the middle of it is the longer-term trend.

That's what you need to focus on because the fact that from February 2017 to August 2017, it looked like there had been a massive resurgence of it, but actually once you plot it out over a period of time, it was just bottoming out at that point.



Alex Newton: Exactly. So what I always tell people is don't look at the Kindle market just in real time and you see whatever that one green smoothie book up there and that has been pushed ... You get the idea. It's really happening over longer periods of time.

Interestingly, you can then validate those trends for you if you go on Google Trends, which is like a hugely great tool.

What you see here, if you were to watch this on YouTube, we looked at the very same thing for the search word "teen dystopian" over a period of 10 years. If you just put a trend line through it and look at that same period we just had on Amazon, it's almost like the search interest on Google for teen dystopian shows a very similar pattern if you iron out the peaks and valleys, peaks and troughs of the short-term fluctuation. So just to illustrate, things happen over time.

Just one last example is we've always been asked, "What's happening to erotica versus clean and wholesome?" I'm a big fan of clean romance, not because I read it, but it's a remarkably underestimated market.

Everybody is jumping into hot and steamy erotica and you have more than 100,000 titles in that, versus still a pretty contained clean and wholesome romance category with both contemporary clean and wholesome ...

Well, you see, a lot of erotica have things like billionaire romance being taken into the cleaner realm, so less steamy reads, and doing remarkably well.

Here we see a trend line of declining erotica things, which I know we've discussed this a lot among authors, has also some reasons with Amazon suppressing the erotica categories and you name it.

But overall, you can get to interesting discussions, and, for some people, very interesting conclusions once you start monitoring these things a bit over time.



You asked me for the crystal ball. Where is it going to go? Well, there are a couple of good things out there. I think in mystery, thriller, suspense, we will continue to see, we will just look at it again in the months to come, female protagonist thrillers which are not cozy.

Cozy mystery, by the way, still remarkably strong. It's the third year we do the study on it, which cozy mystery is still super strong.

You have authors in there who've been consistently the top 100 of these bestseller lists year in, year out. Once you've found your niche and you dominate it, there is good news that you can maintain position.

Going forward in mystery and suspense, we probably see another strong season for female protagonist thrillers, these whole domestic thrillers, psychological thrillers going on. We will also redo the vigilante justice one, which continues to be strong.

Sci-fi, there it's a bit harder to predict. We just did the science fiction overview report, looking at 130 of these categories. The good news is there are super good niches out there, but it's very hard from a trend perspective to see what's going to really be the trending thing, because game literature, lit RPG, has been trending but it's a bit probably too geeky to become mainstream, really, in terms of the sales, right?

Other things, however, were very mainstream. Dystopian on the wake of Handmaid's Tale, then the whole EMP and thriller, the zombie stuff was doing, still doing well and is probably continuing.

Because the one thing we also see is you have a certain trend, you can block bust the movies, and then you have people making money off books for 10 years. The best example, I think, is Twilight and vampire romance. You have, then, Bella Forrest monetizing on it even after this third blockbuster of Twilight was already out of the movie theaters. She continued for seven years with Shades of Vampire on Kindle, making a fortune.



James Blatch: Yeah, people looking for that. Great. Well, Alex, you'd better remind people where they can find you.

Alex Newton: You can always Google k-lytics.com, but we will also certainly put something together into a link at k-lytics.com/spf for Self-Publishing Formula, so then you get some free sample. I might even put up for a certain period of free trials so who's interested can have a look and learn more about us.

James Blatch: Yeah. Well, it's k-lytics.com.

Alex Newton: Exactly. It's K, which is for Kindle, but since we cannot use that trademark it's K-, minus sign, lytics like in analytics, .com/spf.

James Blatch: Excellent. Now, the other place I can find you, I think was at the bar in Vegas. You seem to be there quite a lot.

Alex Newton: Oh. But always having my non-alcoholic ginger ale in my hand.

James Blatch: Is that what you were drinking? That's clever, because it looks exactly like beer. It's the same color.

Alex Newton: Exactly. That's how I could get all this industry intelligence without telling people.

James Blatch: You were grilling me for that industry intelligence those nights. Well, I enjoyed catching up with you in Vegas.

Are you going to be traveling this year, Alex?

Alex Newton: Yes, it looks like that. I just booked to be back in Vegas for the 20Books Conference. There are a couple of events. Usually I spend my time here in the cave or in my rooftop analyzing the numbers and also with my team, but it was really fun, as I said, on stage in Vegas, "Oh, there's real authors out there, not just numbers and columns of numbers. Real people."



It's exciting. Meeting you at the bar there was clearly, it's worth going again.

James Blatch: Well, it was a big moment for both of us. I'm looking forward to it. We'll be at a couple of those conferences as well and we'll catch up.

Great work, Alex. Fantastic to hear how the industry's doing, and in particular how well indies are doing as part of it. So thank you so much indeed for joining us.

Alex Newton: Thank you very much for having me on the show.

James Blatch: Alex Newton, and as soon as he popped up on the screen I remembered that we'd shared a couple of beers in Vegas together. He's a nice guy, and he's not your archetypal ... I'm going to use the word "nerd" because he works in a nerdy industry. He's likely to say, "I'm going to do a company that scrapes data and gives you all this analysis in granular detail for your company." You are thinking nerd, but Alex is a very personable.

Mark Dawson: You're very rude. I just think clever person.

James Blatch: I like nerds, though. There's nothing wrong with nerds. This is the age of the nerd.

Mark Dawson: True.

James Blatch: But Alex is not only a nerd. He's a really nice guy as well, and K-lytics, this is a service I think you're already familiar with, right?

Mark Dawson: Yes, I am. Alex produced a report for me yesterday as we were talking about doing the podcast. He sent me over some information on thrillers and mysteries and stuff, just so I could have a look at what he's looking at.

It's interesting. It's a very good product, and he cuts it up and makes it easily digestible, because it would be quite easy to be swamped by the



numbers and all the calculations and the conjecture that goes with it. So it's a nice product. I'd definitely recommend it.

James Blatch: Good. I think that's it for this week.

Mark Dawson: Missouri.

James Blatch: Missouri.

Mark Dawson: It is Missouri.

James Blatch: You had to Google that, though. It is Missouri. You've had to Google that.

Mark Dawson: Pretty sure I said that, James.

James Blatch: Yeah. I think you were scrambling about at some point.

Mark Dawson: A little bit.

James Blatch: Good. That's it.

I'll just remind that our 101 course is open for a couple of weeks only. We'll be open again probably once again at the end of this year, so if you are thinking of jumping in now is the time.

Go to selfpublishingformula.com/101. You will get all the details that you need. Of course, in our Facebook group we post lots of stuff all the time, and I think we will probably by this point next week when this goes out have posted that Jason Doblische testimonial. Try and make sure it's one of the first ones we post in.

Mark Dawson: We will, definitely. Also, whilst I remember, London Book Fair's coming up quite soon.

James Blatch: Yes.



PODCAST TRANSCRIPT

Mark Dawson: And on March the 13th, which is the Wednesday of the Book Fair Week, we will be having SPF drinks. We will be buying drinks in The Hand & Flower. I was about to say The Bird & Flower, The Hand & Flower, which is over the road from Olympia in London. So we'll all be there, possibly ...

James Blatch: You'll be late.

Mark Dawson: I will be late because I've got something I have to go to before. I always have to run around a lot in London Book Fair, but I will be there eventually, probably drunk, although not as drunk as everyone else was last time, as I seem to remember.

James Blatch: There were some very drunk people last time-

Mark Dawson: There were.

James Blatch: ... and I may have been among them.

Mark Dawson: You were.

James Blatch: Yeah, so we'll be at The Hand & Flower. So if you walk out of Olympia, it's the Hammersmith Road and it's just sort of you turn left out of the front door of Olympia. You'll find that we'll be there probably from about 7-ish on the Wednesday night, Wednesday the 13th.

Come along and we will buy you a beer and celebrate amongst the traditional publishers surrounding us on the top deck of the Titanic.

Mark Dawson: That's right. We'll be flicking these through the windows as they talk about their latest six-figure deals.

James Blatch: As the Titanic brushes the iceberg, we shall just hold out our gin tonics to collect a bit of ice to help us drink.



PODCAST TRANSCRIPT

Thank you so much indeed for listening to the Self-Publishing Show this week. We're back next week.

We've got a whole really good set of interviews coming up soon in the next few weeks, so do stay with us. We love hearing from you. You can always contact support@selfpublishingformula.com, and you can leave us a review at iTunes, all those things which I think probably Hughey says in a minute anyway, but it means a lot to us, and of course you can support the podcast at [patreon.com](https://patreon.com/selfpublishingshow) if you go to patreon.com/selfpublishingshow. I think that's it. That was all one breath.

Mark Dawson: Very good.

James Blatch: Missouri.

Mark Dawson: It's goodbye from me.

James Blatch: And it's goodbye from him.

Mark Dawson: Goodbye.

James Blatch: Goodbye. Better get that end bit right.

Speaker 1: Get show notes, the podcast archive, and free resources to boost your writing career at selfpublishingshow.com. Join our thriving Facebook group at selfpublishingshow.com/facebook. Support the show at patreon.com/selfpublishingshow.

And join us next week for more help and inspiration so that you can make your mark as a successful indie author. Publishing is changing, so get your words into the world and join the revolution with the Self-Publishing Show.