

I would like to know if “List Price” on Amazon.com is the same as the publisher’s price, and whether the lower “Our Price” amount means the author will receive a smaller royalty.

Q: I am a graduate student doing my professional paper on marketing children’s books. My research is to find out which is more profitable – marketing through the Internet, or marketing in more traditional ways. I also would like to know if “List Price” on Amazon.com is the same as the publisher’s price, and whether the lower “Our Price” amount means the author will receive a smaller royalty.

“List Price” refers to the publisher’s price listed in the catalog for full retail for that title. “Our Price” indicates Amazon.com’s discounted selling price for the book. Royalty rates vary and are negotiated at the outset as part of the author’s contract, so the author would still receive the same percentage of royalties regardless of whether the book was marked down by a traditional bookstore, or an online retailer such as Amazon.com. Publishers and wholesalers do offer retailers quantity discounts on larger buys, but that would not impact the royalty an author or illustrator receives when the book is sold through booksellers.

Different discount structures apply to special sales venues, such as catalogs, gift stores, warehouse clubs; and for rights sales to book clubs, book fairs, and foreign publishers. Authors and illustrators receive lower royalties for these and the rate is also negotiated in advance as part of their book contract.

In terms of profitability, children’s books benefit from being sold effectively through multiple sales channels. Sales to schools, libraries, and via retailers, the Internet and special sales channels all contribute to the success of a book. The Internet is a particular help to new and smaller publishers who are likely to have difficulty getting their books placed with national wholesalers and distributors. 1-2:02