

How writers monetize words:

The marketplaces for writing in digital formats

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Since this is, I think, the first time that a writer has been invited to speak to one of these events, I'd like to give an overview of the ways that writers monetize our words.

There are many marketplaces for writing in digital formats,...

There is no “typical” writer.

- Most working writers aren’t making a living from our writing.
- Most writers have multiple income streams, often from different business models.
- Different writers prioritize different ways of monetizing our work.



... and there is no “typical” writer.

Most working writers aren’t making a living from our writing, and the most commercially successful writers are the least representative of the “long tail”. Most writers can’t afford to leave even small amounts of potential income on the table.

Like other workers with multiple jobs, most writers have multiple income streams, often from very different business models, and different writers prioritize different ways of monetizing our work.

Four dimensions of monetization:

1. Business models
2. Revenue sources
3. Digital publication formats
4. Frontlist vs. backlist



But in general there are four dimensions according to which one can categorize the ways writers turn words into dollars: according to business models, sources of revenue, publication formats, and whether we are exploiting new works or older works.

1st Dimension: Business Models

1. Employment (inc. creation of works for hire)
2. Independent contracting (can be similar to employment in some ways, but is not subject to work-for-hire laws or employment rights including wage and hour laws, unemployment compensation, and collective bargaining)
3. Freelancing (licensing to third-party publishers)
4. Self-publishing



Business models include employment as a staff writer and freelancing. They also include not only self-publishing but, in between employment and freelancing, the kind of independent contracting in which people are getting an hourly or monthly fee, and may be sitting next to staff writers doing the same work.

As contractors, their work is not considered work for hire, but they have none of the rights of employees such as to minimum wages or collective bargaining. Unlike most workers, who unambiguously benefit from employee status, this creates an unfair dilemma for writers who, in order to obtain the rights of employees, have to forgo their copyrights and have their writing be considered work for hire.

2nd Dimension: Revenue Sources

1. Wages and wage-like contracting fees
2. Sales (including de facto sales through all-rights contracts)
3. Licensing
4. Advertising
5. Subscriptions and memberships



Revenue sources include, as I just mentioned, both wages and wage-like contracting fees, as well as sales and de facto sales through all-rights contracts.

They also include licensing, but while there are writers who make much of their income from licensing, there are other successful writers for whom licensing is insignificant. You can't equate monetization solely with licensing.

Advertising is, of course, the primary source of revenue for many digital formats, and is a very different marketplace from licensing.

Subscriptions and memberships are more significant than is often recognized. Patreon isn't the first or only platform for members-only Web content. And while there are relatively few successful paid-subscription Web sites, there's an enormous industry of paid-subscription e-mail newsletters.

3rd Dimension: Publication formats

1. Web content (Web sites, blogs, etc.)
2. Apps
3. E-books and other downloads
4. E-mail (newsletters, etc.)
5. Movies, videos, electronic games, and virtual reality experiences (e.g. use of a work of fiction as the basis for plot, characters, dialogue, etc.)



Which brings us to the dimension of digital publication formats. Written work can be distributed as Web content, of course, but it can also be distributed through an app – recipes in a cooking app, for example, or sightseeing information in a travel app. Digital downloads include not only e-books but also downloads of short-form works that would be hard to monetize in printed form. While most people think of e-mail as a one-to-one communications medium, it's also a publishing medium used to distribute a wide range of marketing communications and paid-subscription publications. And the multimedia formats in which text can be included have expanded from movies and videos to electronic games and virtual reality experiences.

4th Dimension: Frontlist vs. Backlist

1. Creating new works (frontlist)
2. Generating revenue from rights to older works (personal backlist)



Finally, a writer has two types of assets from which she can generate revenue: her labor power to create new works, and her ability to monetize her rights to work she has already created. Just as much of the net worth of a corporation may be its intellectual property assets, a writer's personal backlist may be a substantial part of her net worth. Rights to many backlist works have been difficult or impossible to exploit in print formats. But the Internet has unlocked a treasure chest of value in digital rights to works that were previously unpublished or published only in print. Disputes over ownership of that windfall have been central to the conflicts over writers' rights for more than 25 years.

Many marketplaces for digital text:

- Each of these four dimensions of monetization is independent of the others.
- These modes of monetization are also independent of the genre of writing (poetry, journalism, fiction, instructional materials, etc.).
- A work can be monetized in multiple ways at the same time, and in different ways at different times – or in only one way.

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These dimensions of monetization are independent of each other. A professional blogger, for example, may be a staff writer whose job is writing the company blog. Or she may be an independent contractor paid a monthly fee, or a freelancer paid a percentage of ad revenue for each article she contributes to the blog. Or she might be the self-publisher of her own blog.

And these dimensions of monetization are equally applicable to all genres of writing. A blog can be monetized in the same ways regardless of whether it contains poetry, flash fiction, or news. We think of the paradigmatic “writer” as a novelist or journalist, but in the digital environment a successful writer may be getting paid to write marketing copy or product descriptions for an e-commerce Web site.

A writer may choose to distribute and monetize a particular work in as many ways as possible, but she may also make a deliberate choice to offer it only in the one format she thinks will optimize her revenue. The fact that a work is not available in a particular format or channel is as likely to indicate market choice as market failure.

200 Ways to make a Living as a Writer in the Digital Age:

4 business models
x 5 revenue sources
x 5 digital publication formats
x 2 types of works: new works and old works
= 200 modes of monetization of digital text

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When we consider all four dimensions of monetization, there are 200 different ways for a writer to earn money from writing distributed in digital formats. Each writer may have a different mix of income from a different combination of these modes.

But what is a marketplace? A marketplace is composed of entities and contracts between them. And for each of these marketplaces, there is a different typical set of entities, and a different set of typical contracts between writers, readers, intermediaries, and sources of revenue.

Practical implications of the diversity of marketplaces for digital text:

- Statistics, industry analysis, and business plans
- Procedures (copyright registration, identifiers, cataloguing and indexing, etc.)



Only if we are aware of the diversity of digital marketplaces can we assess how they are changing, or the implications of new policies, technologies, or business plans. Most such assessments to date have focused only on some subset of this universe of marketplaces. I challenge the government and industry statisticians in this audience to collect, compile, and publish more comprehensive data on the full variety of marketplaces for digital text.

Similarly, many procedures devised for print formats, such as those for registration of copyrights, have been made workable for only a subset of digital formats. Decades after the World Wide Web became the primary medium for the distribution of text, the Copyright Office has yet to propose any registration procedures for dynamic and granular Web content.

Policy implications of the diversity of marketplaces for digital text:

- “Fair Use” and other exceptions and limitations (example: “Controlled Digital Lending”)
- “Market Failure” vs. market choice (example: “Orphan Works”)

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Policy analysis is also distorted by lack of awareness of the diversity of modes of monetization. The prerequisite to applying the test for fair use or other exceptions and limitations to copyright is an awareness of the potential markets for the works at issue. A common error is to assume that some activity will not interfere with “the marketplace” for a work, without realizing that it will interfere with many other, unnoticed marketplaces for the same work. Proponents of so-called “Controlled Digital Lending”, for example, claim that scanning books and distributing the full text online won’t interfere with the e-book market. Even if that were true, which it isn’t, it ignores the many other markets for works that have been included in printed books

Exceptions, limitations, and compulsory or quasi-compulsory licenses are often justified on the basis of false claims of “market failure”, when in fact the nonavailability of a work in one market may simply reflect the writer’s market choice to monetize it in a different way.

The debate over “orphan works” may be the most obvious example of where this leads. Proposals for orphan works legislation have all been based on the claim that if the rightsholder can’t be found, and thus a potential licensee can’t transact a new license, the work necessarily is not being exploited. But it should be obvious that many modes of monetization, such as advertising, require neither identification of the rightsholder nor any transaction between reader and writer. Many writers earn their living through advertising on anonymously self-published Web sites that are, by definition, orphan works, regardless of how actively and successfully they are being monetized. It’s more or less trivially easy for anyone familiar with how writers earn our living to come up with other examples of works that are being monetized in ways that don’t require finding the rightsholders. The fact that we’ve had more than a decade of discourse about orphan works without yet beginning to think about the ways that orphan works are being profitably monetized reflects how completely the realities of writers’ livelihoods have been ignored in policy studies.

Trends in monetization of text (obvious):

- Print → digital
- 3rd-party publishers → self-publishing
- Traditional “publishers” → new intermediaries



It should be no surprise that, as creators, writers are also business and technology innovators. Looking ahead, many of the trends we are leading involve shifts in the balance between modes of monetization. That includes both some relatively obvious trends...

Trends in monetization of text (less obvious):

- Frontlist → Backlist (inc. “re-mix” of own work)
- Long-form → short-form & “granular” text
- Fixed “editions” → dynamic publication
- Geographic segmentation → time-limited licensing (issues for “caching” and archiving)



... and some that may be less obvious, although no less significant for both business processes and policies.

The high potential return on investment for digital exploitation of writers’ personal backlists, for example, confounds many assumptions about which rights are “primary” and which are “secondary”. It also highlights the need for reform of Section 203 of the Copyright Act, to ensure that writers are able to re-mix and obtain a fair share of the revenues from re-use of our own previously-published work.

In the world of print, markets have been segmented geographically. But on the Internet, a single Web site can reach readers worldwide, without the need for local distributors. Instead, the ways in which a work is distributed and monetized can vary over time, as markets change. Enforcement of time-limited licenses poses challenges which have not yet been addressed for “caching” and archiving of digital text.

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I've only scratched the surface, but I hope that this taxonomy of the many marketplaces for text in digital formats, and these examples of why and how it matters, will help inform your thinking and your work today and in the future.