



# Going Global through Digital Publishing

A handbook for eBook publishing on Amazon

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## **ABSTRACT**

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TIMO DÖBERT:  
Going Global through Digital Publishing  
A handbook for eBook publishing on Amazon

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How do you get a book published on Amazon? Is it possible to sell globally with minimal investments? How do taxes apply when you sell digitally? This thesis aims to provide an easy-to-follow handbook for publishing an eBook on Amazon, while pointing out different considerations that will affect both the potential sales and income of such a digital book.

One of those considerations is the exclusivity for the book's sale that needs to be given to Amazon in order to get your book into Amazon's book renting program e.g. Kindle Unlimited. The price range 2,69-9,99 EUR for eligibility into Amazon's 70% royalty program drives pricing considerations.

While it is possible to publish an eBook without any costs, it is advisable to use a professional copyeditor to ensure the quality of the digital book as well as have professional cover design as it is one of the key marketing elements of the book.

The thesis also takes a look on the global eBook market expectations which seem to be steadily growing over the next years.

Finland and the U.S. have a tax treaty which gives different options for taxation. The simplest one is to just have Amazon withhold 30% U.S. tax from all royalty payments as this is comparable to the Finnish capital income tax rate and the tax treaty protects against double taxation.

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Key words: global, digital, publishing, kindle, eBook, amazon

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## 1 INTRODUCTION

### 1.1 Thesis Topic

Traditional book publishing requires investments in order to print and bind books. Once the books are made, they are delivered to stock. In order to sell books from the stock, distribution channels are needed to get the books from the stock to the shelves of bookstores. Whether these shelves are virtual, for online bookstores, or physical for stone foot shops, there is a lot of physical activities that bound up-front investment in order to even have the possibility to sell a book to a potential customer.

The hypothesis is that when you sell a digital book e.g. an eBook, these upfront investments go away as there are no needs for printing house services and distribution.

Another aspect is the limitless quantity of potential sales in digital form vs. printed form. If you want to sell 100.000 books, you have to print 100.000 books. In order to do so, you have to have again the necessary financial resources to do so. If you are unsure about the actual potential of sales quantities, you would probably like to print in smaller batches to avoid financial risk e.g. ending up with 99.000 books in storage and huge bills from the printing house. With digital books this risk goes away as the production costs are the same whether you create 1 digital book or 1.000.000 digital books. You also do not need to restock digital books. You can sell as many as you want, and you will never be out of stock.

The aim of the commissioning company is also to create a source to gain passive income. The idea is, that once the book is out there in digital format, it wouldn't require further activities between the author and the customers.

Once you have a book in digital format there are also no limits to where the book could be sold. So, in addition to the limitless sales quantities, the digital world also offers limitless sales areas or global sales if you will.

## **1.2 Thesis objectives, purpose and research questions**

We have already established that digital books could be sold globally without concerns to printed quantities or even knowing the selling potential. The question is: How do you do this?

How do you reach big global digital publishing markets from a small country? Can you truly sell globally with minimal investments? What are the major selling channels worth addressing and how do you get your book there? How do taxes and duties apply when you sell digitally?

The aim of this research is to investigate the methodology on how to get published on the main global digital book selling platform and what needs to be considered before becoming a global author.

In order to address these questions, this thesis will try to create a handbook for digital publishing, but before it can do that, it has to answer the research question: How to create a handbook for digital publishing?

## **1.3 Thesis Contents**

In Chapter 2. I will look at different sources to first establish which sales channels are worth considering for going global on digital book selling.

In Chapter 3. I will be documenting a “how to” tutorial for a selected sales channel to offer the handbook approach for digital publishing.

In Chapter 4. I will analyze how well these different sales channels perform from a content provider point of view as well as review the complexity on getting published through their channels.

In Chapter 5. I will make my conclusions and offer recommendations to potential future global authors.

## 2 THEORETICAL FRAMEWORK

The research will be conducted as a qualitative research, reviewing online literature, and analyzing different sources to produce the desired case study. An important literature source will be the websites and possible FAQ's provided by the digital selling platforms while investigating on how to get content published to their selling channels. As well as researching for peer experience, known caveats, lessons learned and best practices.

### 2.1 How to create a handbook for digital publishing?

Before researching the theoretical framework for digital publishing, I need to look at "How to create a handbook for digital publishing?" in the first place.

Getting to know the subject is the first and key element to be able to describe it to others (How to Write a Manual, 2021). Reading different articles from different sources provides a wider perspective and allows for simplification and pointing out the key elements. You should understand how it works, before you tell others on how to utilize it.

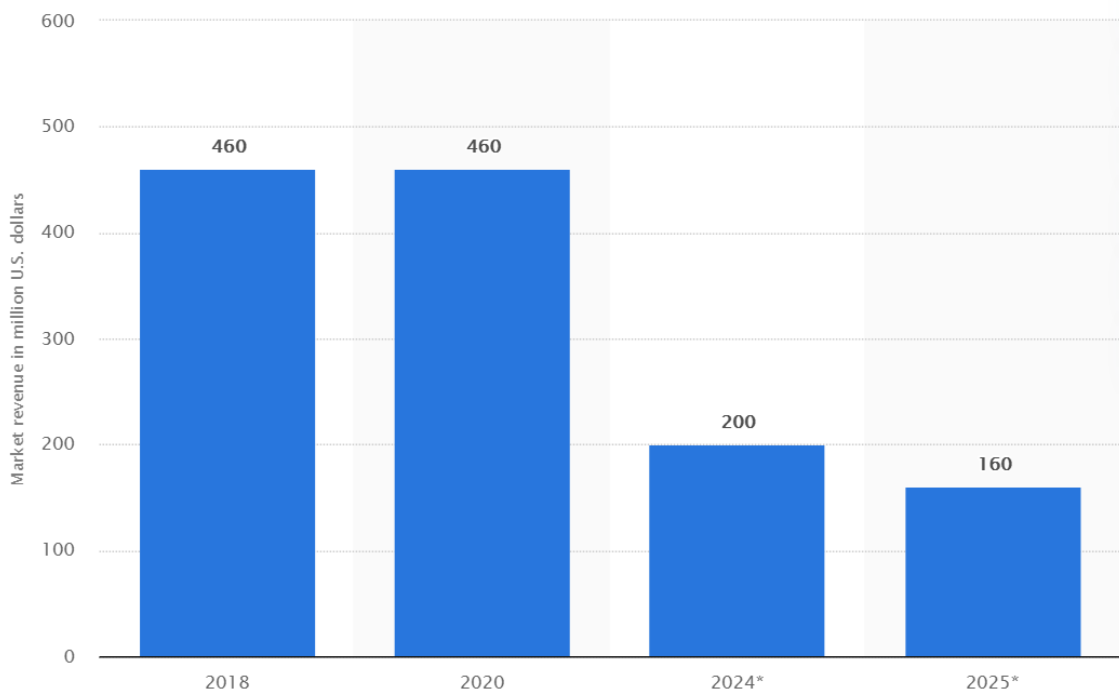
Another key element is to provide step-by-step sequences in the correct order (Hodgson, n.d.). In order to create value for the reader, the handbook needs to follow the order as matters are presented during the digital publishing sequence.

Further guidance is to avoid lengthy paragraphs and make effective use of pictures (Hodgson, n.d.). It is clear that a handbook is more readable in shorter paragraphs and pictures help to locate the correct position within the handbook in relevance to the tasks at hand, through quick visual inspection.

As the handbook will be written as a chapter of this Thesis, the Thesis template itself will of course set restrictions on other visual aspects of the handbook.

## 2.2 eBook global market

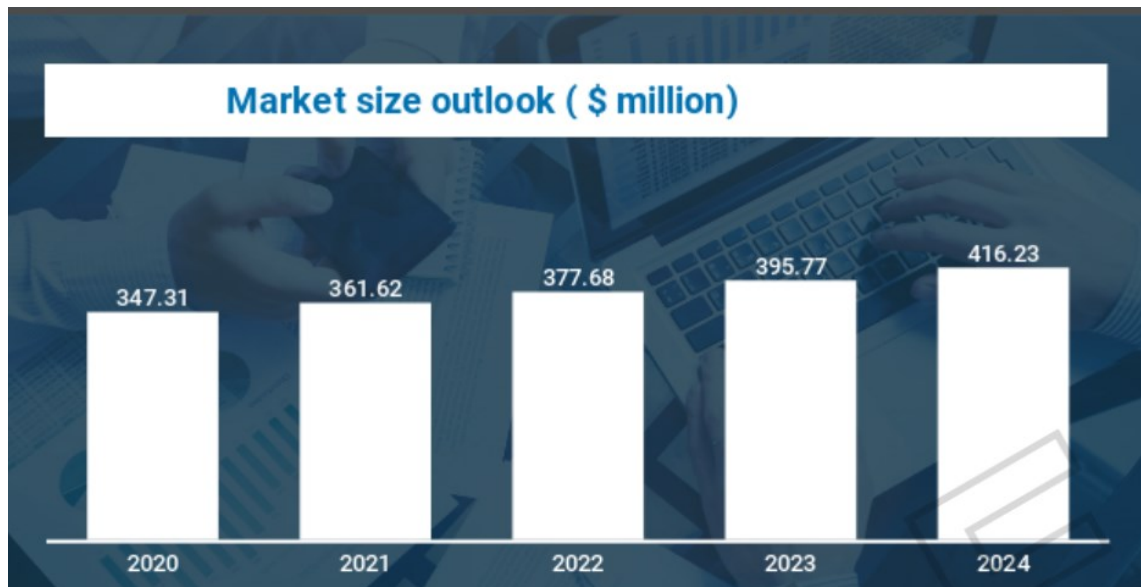
Noticeably the total global E-reader market revenue is expected to shrink to less than half its size within the next years (Vailshery, 2021). This however does not directly mean that the digital book market will shrink as well. It only tells that consumers are not expected to use so much money anymore on separate devices that are only meant for the consumption of digital books. This is an interesting development as Amazon has been able to tie Kindle eBook readers to Kindle devices and once you are locked in, you are not likely to jump ship to another platform. This is what it's all about in for example Apple's ecosystem. Once you use your iPad to read eBooks, it's a smaller jump from the Kindle App to the Book App from Apple.



(Vailshery, 2021)

The global eBook market on the other hand is expected to grow steadily in the coming years, expecting to be reaching over 400 million dollars in 2024 (E-Book Market by Product, Platform Usage, and Geography - Forecast and Analysis 2021–2025, 2021).

Smartphones and tablets are actually the primary growth factor for the global eBook market (E-Books Market Size, Growth, Analysis | Industry Statistics (2021 - 26) | COVID - 19 IMPACT | Mordor Intelligence, 2021).

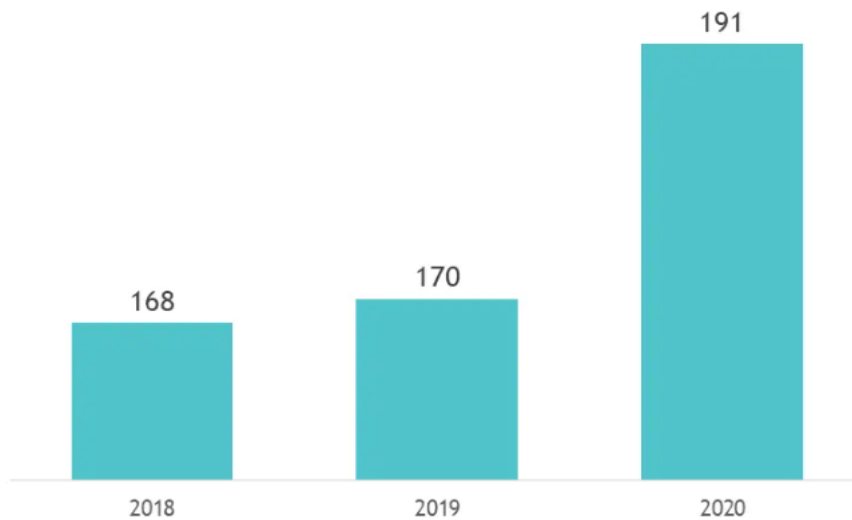


(E-Book Market by Product, Platform Usage, and Geography - Forecast and Analysis 2021–2025, 2021)

North America has been the primary driver and adapter of the eBook business. Even though the culture of consuming books digitally has the longest presence in the North American market area, this market area is still growing and in 2020 over 20 million more eBooks were sold than in the previous year in North America alone (E-Books Market Size, Growth, Analysis | Industry Statistics (2021 - 26) | COVID - 19 IMPACT | Mordor Intelligence, 2021).



Number of e-book units sold, in million units, United States, 2018-2020



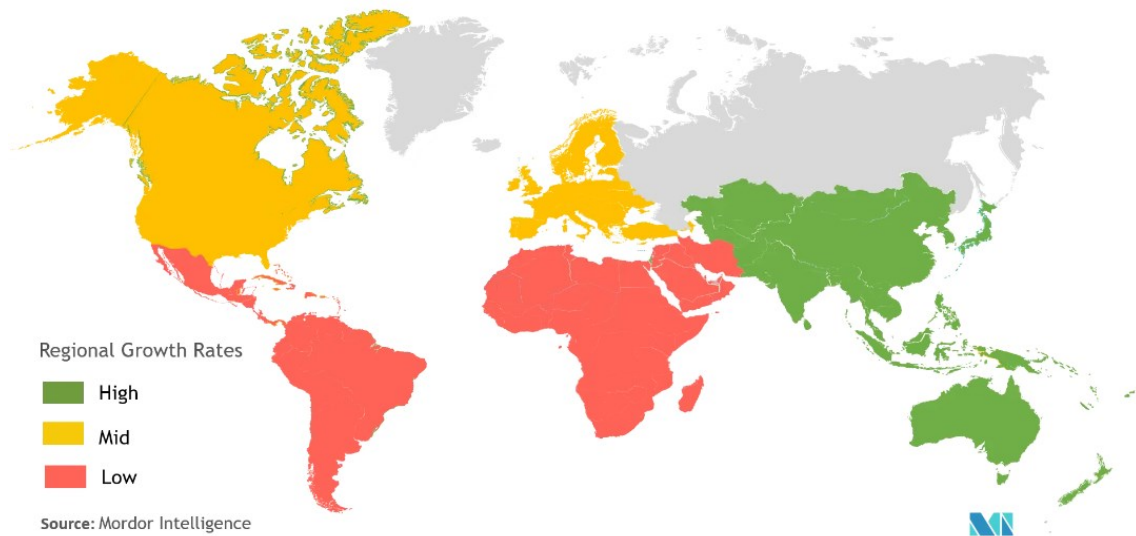
Source: NPD Bookscan, NPD PubTrack Digital



(E-Books Market Size, Growth, Analysis | Industry Statistics (2021 - 26) | COVID - 19 IMPACT | Mordor Intelligence, 2021)

It is important to notice that if global sales is targeted with an eBook written in English, that the market growth rate of the global eBook sales is not only dependent on emerging new markets like Asia Pacific, but also on market growth in natively English speaking regions e.g. North America. One must also not forget that Asia Pacific includes also natively English speaking Australia and New Zealand. This emphasizes trust in the growing selling potential of digital literature written in English.

E-Book Market- Growth Rate by Region (2020 - 2025)



(E-Books Market Size, Growth, Analysis | Industry Statistics (2021 - 26) | COVID - 19 IMPACT | Mordor Intelligence, 2021)

Though Asia Pacific is rated as a high growth rate region for the eBook market, it is worth noting that North America and Europe are rated as a mid-growth rate regions. All in all, the global eBook market is growing, but only in a different pace in different regions. This is an important signal and especially important when entering into a new business area, to ensure the continuity of that market. The eBook business seems to be here for good.

### 2.3 Sales channels for eBooks

Amazon is currently dominating the digital book market with an 80% global market share in English language eBooks on their Kindle platform. This is followed by Apple who has a 10% market share in the top 5 countries on their iBook platform. It is worth noting that 42% of Amazons eBook sales are from self-published books. (Top 10 Self-Publishing Companies: Best Companies For Self-Publishing A Book, 2018)

### 2.3.1 Amazon

Amazon is a well-established online seller with millions of daily customers across the globe who conduct thousands of purchases. Amazon is also a trusted brand name, even though that half of the products sold on Amazon are sold by third-party sellers rather than Amazon itself. (Edmondson, 2020b)

Of course, Amazon is selling more than simply eBooks, but the large customer base has helped to establish the strong foothold in the digital book business.

It is interesting to notice that when Amazon started, their main business model was to forward customer orders to book distributors and order books for wholesale prices and then forward these books from Amazon's warehouse – which was a garage at the time – to customers (Stone, 2013). From this simple Book-order proxy-role the company has developed into a giant that incorporates all of the stages in the book business. It started by having their own stock e.g. the giant warehouses of Amazon and through the age of digitalization incorporating also the publishing business itself. Amazon does not need book distributors anymore; they have become one. Amazon also does not need book publishing houses; they are offering self-publishing directly to Authors.

#### *Amazon's Publishing tool*

Amazon is providing for free the Kindle Direct Publishing (KDP) platform which allows self-publishing authors to upload their book and set a sale price for it. You do not need to have any experience or knowledge in professional writing, publishing or internet business to get an eBook published on Amazon (Edmondson, 2020a).



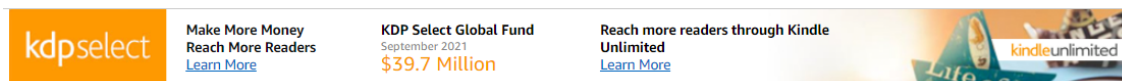
**Self-publish eBooks and paperbacks for free with Kindle Direct Publishing, and reach millions of readers on Amazon.**

(Self Publishing | Amazon Kindle Direct Publishing, n.d.)

The Kindle Direct Publishing platform is basically a website that takes you through the different steps needed to publish a Kindle eBook. However, this does not mean that you do not need to prepare for the process in beforehand. I will cover in this Thesis the points you need to consider in beforehand as well as walk you through the process of publishing through the Kindle Direct Publishing platform in chapter 3.

### *Exclusivity with Amazon*

Amazon is providing a subscription service, similar to Netflix or Spotify, which enables its users to read an unlimited amount of Kindle eBooks for a monthly fee. The service is called Kindle Unlimited, but in order for authors to get their works displayed on Kindle Unlimited, they need to give exclusive rights to Amazon for the selling of the book (Semuels, 2018). Which means that you cannot sell your book through any other sales channel or for any other platform.



(Self Publishing and KDP Select | Amazon Kindle Direct Publishing, n.d.)

As an author you enroll into the KDP Select program, which will add your book to the Kindle Unlimited selection. By enrolling to the KDP Select service you give Amazon exclusive rights and “tap into Amazon’s marketing muscle” by having the book added to the lending library. The revenue model is also different, where in normal Amazon eBook sales you get a percentage of each book sold (35%-70%), the subscription model pays a percentage of the total amount of all Kindle Unlimited subscriptions in relation to how many times your book has been rented each month. For example, if in a given month the total service income for Amazon is one million USD, and users rented 300.000 books in that month, and your book was rented 1.500 times, you would earn 0,5 % from that month’s total e.g. 5.000 USD. (Jacobs, 2014)

The KDP Select enrollment is valid for 90-day terms. So, it is possible to discontinue with the KDP Select program, keep a regular purchasable copy of your Kindle eBook on Amazon, and start selling through other channels in parallel. This will however limit the amount of advertising that Amazon will be doing on your behalf as KDP Select titles will be pushed up on listings and highlight sessions.

Books in the Kindle Unlimited offering seem to have a short shelf life. The service is mainly aimed for authors who produce a lot of titles, and their readers are quick to consume the new published titles and move on to the next one as soon as it is published. In that scenario this model services both the writer as well as the reader well, as the reader does not need to spend more money on getting access to all the titles in the quick paces in which they are consumed, and the writer again is being rewarded on how much he can produce and how much his titles will be read. For an author with only one book, it is very unlikely that the title would contribute noticeable revenue from the KDP Select program after some time.

### 2.3.2 Apple

The strongpoint with Apple is their strong existing ecosystem of devices and services. With over a billion users on iPhones, iPads and Mac's the native Book application of these devices put eBooks (or in Apple's case iBooks) in a very broad reach of an already existing customer base. Tapping into this sales channel will put your book in easy reach of a very large global customer base. The question remains on whether Apple will be able to gain a bigger market share in the digital book business or the other way around if more and more consumers would be reading books on their Apple device?

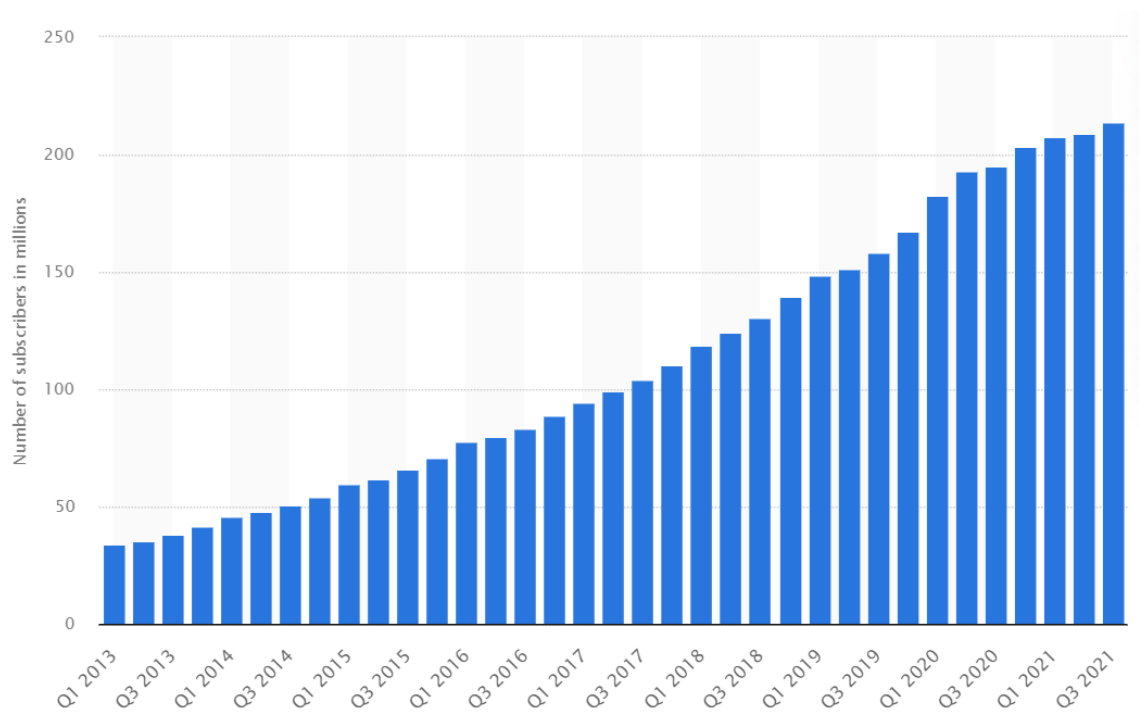
Apple has been trying very hard to get in on the money with the movie subscription business, but on a global scale Apple TV does not really compete on the same level with existing giants like Netflix, despite their enormous growth of the services usage.

#### **Apple TV+ subscribers**

Apple invested \$6 billion into TV+ in 2019, a huge gamble in a market with Netflix, Amazon and Disney all competing for eyeballs. It also offers a year of TV+ to iPhone and iPad buyers for free, which means most subscribers are still on free trial.

Year	Subscribers
Nov 2019	5.7 million
May 2020	10 million
Nov 2020	33.6 million
May 2021	40 million

(Curry, 2021)



(Netflix Subscribers Count Worldwide 2011–2020, 2021)

Time will tell whether Apple will try to combat Amazon for a bigger market share in the digital book business or whether the focus is more on getting Apple TV and Apple Music to grab a bigger market share. Similar to Apple TV, Apple has put a lot of effort into Apple Music as well and again the same as with Apple TV there has been an enormous growth in the service usage, but it still is nowhere near where the music streaming giant Spotify is at.

## Apple Music subscribers

Apple Music is the second largest music streaming service in the West, far behind Spotify's 150 million users and not far behind Amazon Music's 55 million. The majority of subscribers are from the US, which is one of the few countries Apple is ahead of Spotify.

Year	Subscribers
2015	11 million
2016	20 million
2017	27 million
2018	40 million
2019	50 million
2020	72 million

(Curry, 2021)

Apple is trying to lure authors over from Amazon's Kindle platform to Apple Books by matching the top royalty model from Amazon and making it the default for all book sales. Apple has also simplified the royalty model and removed fees which eat off the Authors royalty in Amazon's case. This directly translates into more money earned by each book sold. However, as the market share of Apple Books isn't so strong as with Kindle, the total income can be expected to be lower as it is more likely that a book will sell better on Amazon just by the huge global market share of Amazon in the eBook business.

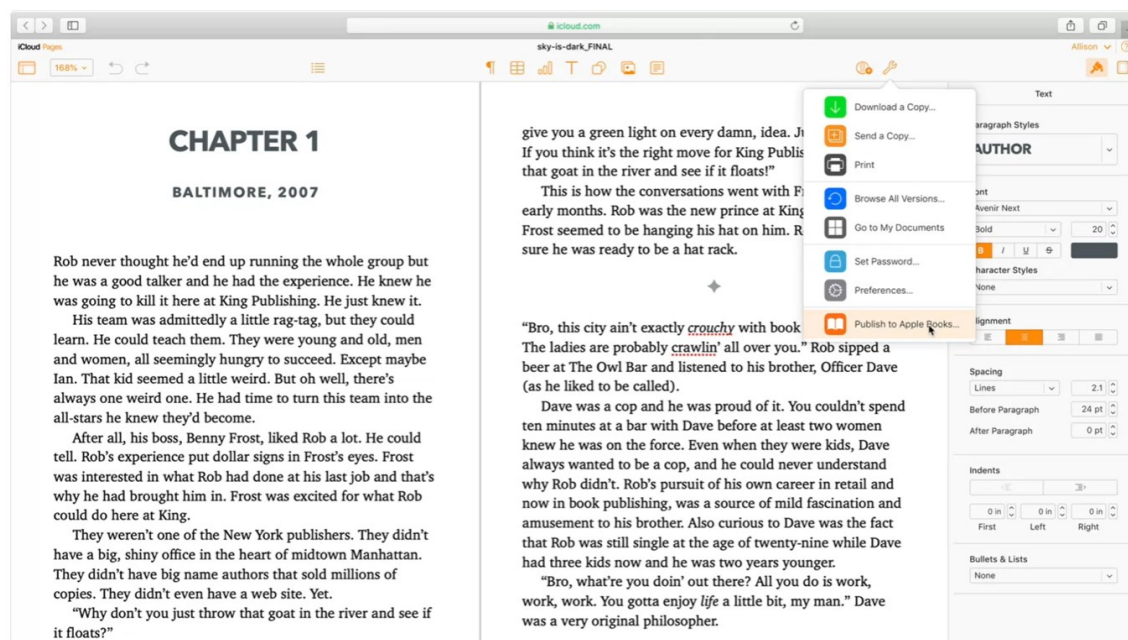
	Apple Books	Kindle Direct Publishing
70% royalties on every book, regardless of price	✓	×
No file delivery fees	✓	×
No limitations on offering free books to customers	✓	×
No payments for preferential store placement	✓	×
No price matching	✓	×
No third-party ads	✓	×

(Apple Books for Authors, 2021)



## Apple's Publishing Tool

If you use Apple's own "Pages" -software to write your book, you can directly publish to Apple Books from the editor.



(How to Use Pages to Publish on Apple Books, 2021)

If you have written your book with Microsoft Word, you need to either import the document to Pages first or convert it to an EPUB file. It is of course wise to go through the imported or converted book and check for compatibility issues and correct them prior to moving ahead to publish the book.

Before you can upload to Apple Books you need to create an iTunes Connect Account and in order to do so, you need to have an Apple ID account first, to which the iTunes Connect Account will be associated (Create an iTunes Connect Account - Apple Books for Authors, 2021).

The iTunes Connect Account is basically the agreement between you and Apple for the sale of Books. You register as an individual or a company and approve Apple's agreement terms as well as provide your bank and tax information. This can all be made in beforehand to enable the smooth publishing integration of Pages.

The Pages integration pushes the user to iTunes Connect to submit all the books details (like title, description, cover design etc.) and upload the actual book. The same can also be established by going to Apple's publishing portal: <https://authors.apple.com/epub-upload> Which you also need to use in case your book is in the EPUB file format.

Apple Books for Authors

allison\_cain@icloud.com  
Allison Cain

Publish your book in 4 easy steps!

- 1 Upload your book
- 2 Add a title and description
- 3 Set category, language, and other info
- 4 Enter publishing details

Choose a book file...\*

Choose a sample file...

Choose a cover image...\*

Continue

\* required field

(Publish an EPUB File - Web Upload - Apple Books for Authors, 2021)

## 2.4 Revenue expectations and passive income

According to the Guardian 1/3 of published authors are earning less than 500 USD per year from their published books. Half of the published authors were earning less than 3.000 USD per year and the top 10% earned 100.000 USD or more. The amounts are combined for traditional and self-published authors. (Flood, 2015)

With millions of eBooks on Amazon it is also difficult to get noticed and find an audience for your eBook. According to Clark (2019) writing and publishing a book is only 40% of the work. The remaining 60% is marketing and selling the book. Even though you have your eBook published to Amazon, it will not sell itself. You will need book reviews and promotions to get noticed.



(About Form W-7, Application for IRS Individual Taxpayer Identification Number | Internal Revenue Service, 2021)

However, you can only apply for a U.S. Taxpayer ID Number after you have received your first payment from Amazon (Applying for a U.S. TIN (Taxpayer ID Number), n.d.). You do this by completing the W-7 form and submitting it to the U.S. IRS. If you have completed the form correctly and submitted all required supporting documentation, you should get a U.S. Taxpayer ID Number within two months. Supporting documentation includes as a minimum a certified copy of your passport.

Finland has a tax treaty with the U.S. that would allow reducing the U.S. tax withholding for royalties to zero (Tax Rates on Income Other Than Personal Service Income Under Chapter 3, Internal Revenue Code, and Income Tax Treaties, 2019).

Income Code Number	Social Security		Royalties <sup>yy</sup>						
	Name	Code	Social Security <sup>qq</sup>	Treaty Article Citation	10 Industrial Equipment	10 Know-How/ Other Industrial Royalties	11 Patents	11 Film & TV	12 Copyrights <sup>tt</sup>
Australia.....	AS	30	18(2)	n/a u,	5	5	5	5	12(2) / P8
Austria.....	AU	30	18(1)(b)	n/a u	0 ss	0 ss	10 ss	0 ss	12(1), (2)
Bangladesh.....	BG	30	19(2)	n/a u	10	10	10	10	12(2)
Barbados.....	BB	30	18(1)(b)	n/a u rr	5 rr	5 rr	5 rr	5 rr	12(2) / 1PV; 2PII(6)
Belgium.....	BE	30	17(2)	n/a u	0 ss	0 ss	0 ss	0 ss	12(1)
Bulgaria.....	BU	30	17(2)	n/a u	5	5	5	5	12(2) / P5(7)
Canada.....	CA	0	XVIII(5) / 4P2(2)	10	0	0	10	0	12(2), (3) / 5P7(1)
China, People's Rep. of.....	CH	30	17(2)	7 v	10	10	10	10	III(2)
Comm. of Independent States.....		30	None	0	0	0	0	0	III(1)(a)
Cyprus...bbb.....	CY	30	24	n/a u	0	0	0	0	14(1)
Czech Republic.....	EZ	30	19(1)(b)	10	10	10	0	0	12(2)
Denmark.....	DA	30	18(2)	n/a u	0	0	0	0	12(1)
Egypt.....	EG	0	20	n/a u	30 u	15	n/a u	15	13(1)
Estonia.....	EN	30	18(2)	5	10	10	10	10	12(2)
Finland.....	FI	30	18(1)	n/a u	0	0	0	0	12(1)
France.....	FR	30	18(1) / 1PIII	n/a u	0 ss	0 ss	0 ss	0 ss	12(1) / 2PIII
Germany.....	GM	0	18(5) / PVIII	n/a u	0	0	0	0	12(1)
Greece.....	GR	30	XIV(1)	0	0	0	30	0	VII
Hungary.....	HU	30	15(2)	n/a u	0	0	0	0	11
Iceland.....	IC	30	17(2)	n/a u	5 j, ss	0 ss	5 ss	0 ss	12(1), (2)
India.....	IN	30	20(2)	10 x	15 x	15 x	15 x	15 x	12(2)-(4)
Indonesia.....	ID	30	22	10	10	10	10	10	13(2) / P34
Ireland...bbb.....	EI	0	18(1)(b)	n/a u	0 ss	0 ss	0 ss	0 ss	12(1)
Israel...bbb.....	IS	0	21	n/a u	15 u	15	10	10	14(1)
Italy.....	IT	0	18(2)	5 tt	8	8	8	0	12(2)
Jamaica...bbb.....	JM	30	19(1)(b)	n/a u	10	10	10	10	12(2)
Japan...bbb.....	JA	0	17(1)	n/a u	0	0	0	0	12(1)
Kazakhstan.....	KZ	30	18(1)(b)	10 uu	10	10	10	10	12(2)
Korea, South.....	KS	30	24	n/a u	15	15	10	10	14(1)
Latvia.....	LG	30	18(2)	5	10	10	10	10	12(2)

(Tax Rates on Income Other Than Personal Service Income Under Chapter 3, Internal Revenue Code, and Income Tax Treaties, 2019)

In accordance with the Tax Convention article between Finland and the U.S., royalties “for the use of, or the right to use, any copyright of literary, artistic, or

scientific work” shall be taxed in the state of residence (Tax Convention with the Republic of Finland, 1990). Meaning that the Finnish taxation would then apply.

In article 23 of the Tax convention between Finland and the U.S., double taxation is eliminated (Tax Convention with the Republic of Finland, 1990). So, that if one has already paid taxes in the U.S., these taxes would be eligible for deduction from Finish taxes.

## **2.6 Considerations**

According to Edmondson (Edmondson, 2020c) there are the following 10 most profitable niches on the internet:

1. Fitness and Weight Loss
2. Health
3. Dating and Relationships
4. Pets
5. Self-Improvement
6. Wealth Building Through Investing
7. Make Money on the Internet
8. Beauty Treatments
9. Gadgets and Technology
10. Personal Finance

These are not eBook specific topics, but genres which in general produce the most online income. So, it is tempting to consider that an eBook in these categories, could also have a good sales potential.

Another consideration is the use of a professional copy-editor. “No matter how great your book idea is, if the writing isn't up to par for professional publishing, don't attempt to publish it anywhere, including by yourself. Remember, self-published doesn't mean sloppily published (Xue, 2020).”

These considerations should be made in beforehand, before the writing process of a new book even starts. The main consideration being: Will this book sell? Of course, there is not such a big monetary risk combined with publishing a digital book into a niche market as there would be with a traditional paper book, but revenue expectations should be in line with the potential of the genre in question.

Even though it is possible to publish a digital book without any costs, the quality of the product will be improved by using professional services for copy-editing and also cover design, which will lead to increased selling potential.

### 3 HANDBOOK TO PUBLISH A BOOK ON AMAZON

In this chapter I will describe the step-by-step actions needed to get an eBook published on Amazon.

#### 3.1 Kindle Direct Publishing account

The first step is to create a Kindle Direct Publishing account. You can create an account with an existing Amazon account at [kdp.amazon.com](http://kdp.amazon.com) or create a new Amazon account on the same page.

There are some user agreements you need to approve and if you have used an existing Amazon account you will be prompted to complete your information.

The screenshot shows the Kindle Direct Publishing (KDP) dashboard. At the top, there is a navigation bar with the 'kindle direct publishing' logo and links for 'Bookshelf', 'Reports', 'Community', and 'Marketing'. Below the navigation bar is a yellow warning banner that reads: 'Your account information is incomplete. To publish a book, you will need to complete this. [Update Now](#)'. A red arrow points to the 'Update Now' link. Below the warning banner is a blue information banner that reads: 'CreateSpace has moved to Kindle Direct Publishing. If you had books on CreateSpace, [access them on KDP in three steps](#).' Below the information banner is a section titled 'Create a New Title' which lists two options: 'Kindle eBook' and 'Paperback'. Each option has a list of requirements and links for more information.

(Johnson, 2021)

After filling in your address and your bank account number, to get paid, you move to the tax information section.

### 3.1.1 Tax Information Interview

The Tax Information Interview is now the part that might need some preparation or thought in accordance with chapter 2.4 of this Thesis. If you do not have a Taxpayer Identification Number, you will submit yourself for the 30% U.S. tax withhold by Amazon. Whereas with such a number you could be eligible for the zero percent withhold. However, if you plan to pay Taxes in Finland in accordance with the Finnish capital tax quote, then the outcome might be the same.

## Tax Information Interview

### About You

What is your tax classification? ?

Individual
  Business

"Individual" includes Sole Proprietors or Single-Member LLCs where the owner is an individual

For U.S. tax purposes, are you a U.S. person? ?

Yes
  No

### Tax Identity Information

Name (as shown on your income tax return) ? Business or trade name (Optional)

David Johnson

---

Address ?

Address

United States

---

Taxpayer Identification Number (TIN) ?

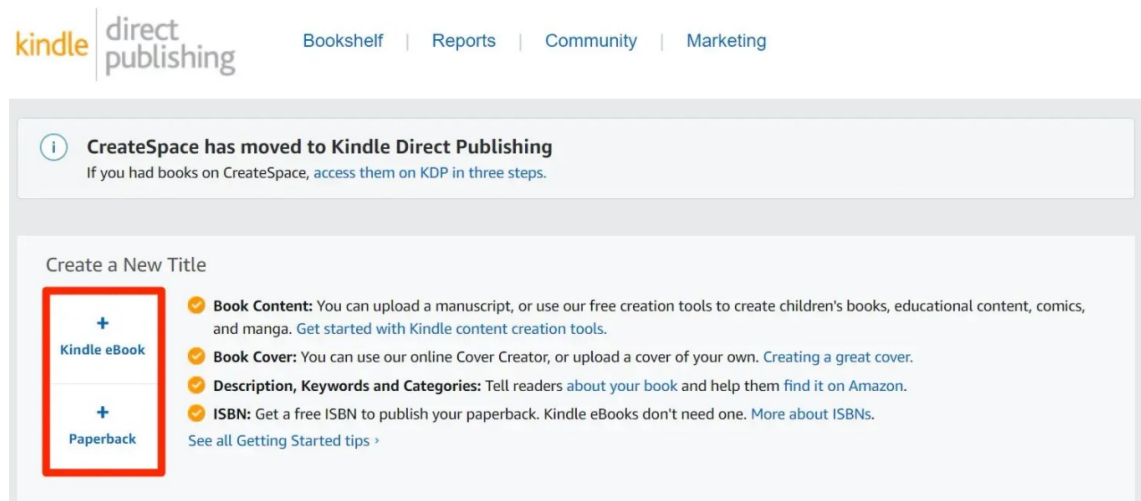
SSN or ITIN

(Johnson, 2021)



## 3.2 Kindle eBook creation

Once you have created a Kindle Direct Publishing account, you can go ahead and publish your first book. After logging in at [kdp.amazon.com](http://kdp.amazon.com) you can navigate to the Bookshelf and click under “Create a New Title” on “+Kindle eBook”.



(Johnson, 2021)

There are three main stages that need to be completed in order to publish an eBook through the Kindle Direct Publishing tool to Amazon. These are: Kindle eBook details, Kindle eBook Content and Kindle eBook Pricing.

### 3.2.1 Kindle eBook details

Under the details section you define the title and subtitle of your eBook as well as the book description. This is something that should have a lot of previous planning and consideration as these are all key selling factors (Awosika, 2021). When considering a title and the book description, you should take the customers perspective; on what they are searching for and how your books title and description are addressing the customers' needs (Awosika, 2021).

You also define keywords for your book and two book categories on the details section. The choosing of categories is again a big marketing decision as it will define under which two categories your book can be discovered and excluding all other categories.

The screenshot shows the Kindle Direct Publishing interface. At the top, there is a navigation bar with the 'kindle direct publishing' logo and links for 'Bookshelf', 'Reports', 'Community', and 'Marketing'. Below this, there are three main sections: 'Kindle eBook Details' (highlighted with a red box and showing 'In Progress...'), 'Kindle eBook Content' (showing 'Not Started...'), and 'Kindle eBook Pricing' (showing 'Not Started...').

The 'Kindle eBook Details' section contains the following fields:

- Language:** A dropdown menu with 'English' selected. A link 'Learn more about languages supported on Kindle.' is provided.
- Book Title:** A text input field containing 'Slick'. A red arrow points to this field.
- Subtitle (Optional):** A text input field containing 'Special Ops at the Edge of Known Space'. A red arrow points to this field.

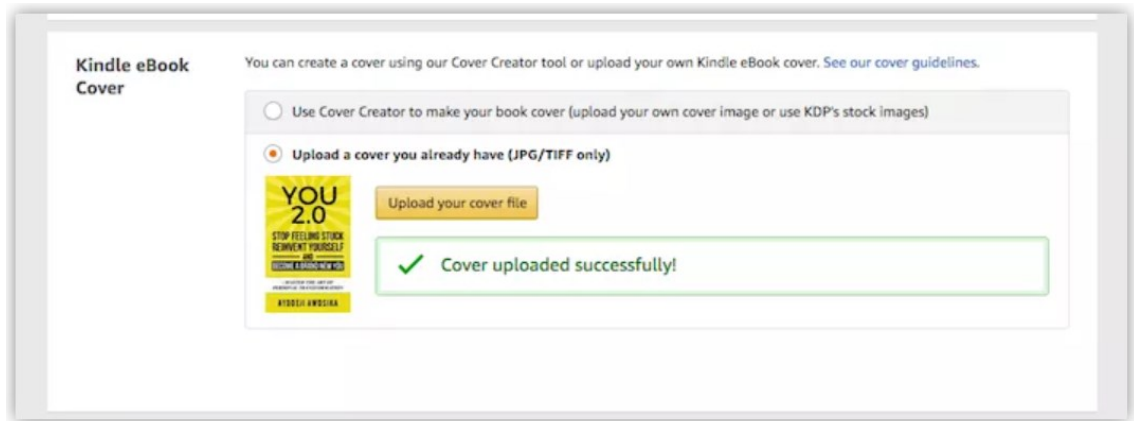
(Johnson, 2021)

### 3.2.2 Kindle eBook Content

Under the content section is a very important option to enable digital right management for the eBook. This setting will protect you against users copying and distributing your eBook for free.

This is also the section where you upload your already written book. Kindle will support most common filetypes, if you have for example written your book with Word, you can just upload it in the default Word format. If you want to be more in control of the formatting of the eBook, you should go ahead and download the Kindle Create tool, which is available for Mac and PC for free from: <https://www.amazon.com/Kindle-Create/b?ie=UTF8&node=18292298011>

The third an equally important thing in the content section is to upload a book cover for your eBook. Again, this is also a big marketing decision as the thumbnail picture of your book cover, along with the title, are the first things your potential reader will see. Your book title should be big enough and clear enough on the cover to be read even as a small thumbnail and your cover should stand out from your competition (Awosika, 2021).



(Awosika, 2021)

### 3.2.3 Kindle eBook Pricing.

Amazon is offering two different royalty options for Kindle eBooks. You can either get a 35% royalty or a 70% royalty. To be eligible for the obviously more interesting 70% royalty option, you have to price your book between 2,69-9,99 EUR. There is a clear intention by Amazon to guide authors book pricing by setting limits for different royalty options.

EUR List Price Requirements	Minimum List Price	Maximum List Price
35% Royalty Option		
• Less than 3 megabytes	€ 0.89	€ 215.00
• Greater than or equal to 3 megabytes and less than 10 megabytes	€ 1.79	€ 215.00
• 10 megabytes or greater	€ 2.69	€ 215.00
70% Royalty Option		
	€ 2.69	€ 9.99

(List Price Requirements, n.d.)

However, if you go with the 70% royalty option then Amazon will deduct delivery costs, based on the size of your eBook, from your royalty fee.

Delivery Costs are equal to the number of megabytes we determine your Digital Book file contains, multiplied by the Delivery Cost rate listed below.

- Amazon.com: US \$0.15/MB
- Amazon.ca: CAD \$0.15/MB
- Amazon.com.br: R\$0.30/MB
- Amazon.co.uk: UK £0.10/MB
- Amazon.de: €0,12/MB
- Amazon.fr: €0,12/MB
- Amazon.es: €0,12/MB
- Amazon.in: INR ₹7/MB
- Amazon.it: €0,12/MB
- Amazon.nl: €0,12/MB
- Amazon.co.jp: ¥1/MB
- Amazon.com.mx: MXN \$1/MB
- Amazon.com.au: AUD \$0.15/MB

We will round file sizes up to the nearest kilobyte. The minimum Delivery Cost for a Digital Book will be US\$0.01 for sales in US Dollars, INR₹1 for sales in Indian Rupees, CAD\$0.01 for sales in CAD Dollars, £0.01 for sales in GB Pounds, ¥1 in JPY, R\$0.01 for sales in Brazilian Reals, MXN\$1 for sales in Mexican Pesos, AUD\$0.01 for sales in Australian Dollars, and €0.01 for sales in Euros, regardless of file size. For sales in JPY, we will not deduct any Delivery Cost for books 10 MB or greater.

(Digital Pricing Page, n.d.)

The 70% royalty option is also only valid if the customer of your eBook is from the following countries:

- Andorra
- Australia
- Austria
- Bahrain
- Belgium
- Brazil
- Canada
- Egypt
- France
- Germany
- Gibraltar

- Guernsey
- Hong Kong
- India
- Ireland
- Isle of Man
- Italy
- Japan
- Jersey
- Jordan
- Kingdom of Saudi Arabia
- Kuwait
- Lebanon
- Liechtenstein
- Luxembourg
- Macao
- Mexico
- Monaco
- The Netherlands
- New Zealand
- Oman
- Qatar
- San Marino
- Switzerland
- Spain
- Taiwan
- Thailand
- United Arab Emirates
- United Kingdom
- United States
- Vatican City

(Digital Pricing Page, n.d.)

If the person who buys your eBook is from any other country, then your royalty for that specific sale will automatically be reduced to 35%.

After you have set the price of your eBook and your royalty option, you are ready to click on the “Publish Your Kindle eBook” -button.

After this final step, you have completed all the tasks needed to get your eBook published in Kindle format on Amazon. It will take Amazon 24-48 hours to review your submission and make the book available for purchase on Amazon or for lending if you opted for the KDP Select program.

Congratulations, you are now a published writer. But the work is not done. You have now a digital book on the same virtual shelf as millions of other books. Now you need to start marketing it, if you haven't already.

## 4 ANALYZING AMAZON AS A SELLING CHANNEL FOR EBOOKS

It is clear that the biggest and most important selling channel for digital books is Amazon. Amazon has also made it possible to reach global digital publishing markets right from your computer, through Amazon's already existing global presence.

To get better visibility on Amazon's selling platform and to benefit from the Kindle Unlimited subscription model, you will have to give exclusive selling rights to Amazon. This is tempting as the platform is already the most important to be on for global sales, and through the exclusivity the sales performance on the dominating selling channel will only improve. If you choose to go down this path, then there is no need to look at any other digital publishing platform.

The exclusivity for Amazon to sell the book is however not everlasting. You can revoke the exclusive right at a later point in time and start selling on other platforms or even through your own web pages. Especially as Kindle Unlimited creates the best revenue at the beginning of a new book's shelf life, it is tempting to start with all the chips on Amazon and later consider potential parallel selling activities.

Amazon has also made it very easy to get a book published in digital format. All the tools needed are provided on Amazon's website free of costs and in addition there are no costs involved with getting a digital book published. Compared with traditional self-publishing in paper format, digital publishing requires no upfront investments.

Chapter 3 of this thesis gives a step-by-step handbook for digital publishing on Amazon.

If you want to make it easy, you just let Amazon withhold the 30% U.S. tax from your royalties and you are done. Since the Finnish capital tax is the same (up to 30.000,- € in 2021), and because double taxation is eliminated through the Tax

convention between Finland and the U.S., you do not need to pay taxes again in Finland (up to an income of 30.000,- € in 2021).

## Capital income

Capital income is the income generated through the possession of wealth, such as rental income, gains from selling an asset, dividend income, certain interest income, proceeds from a life insurance contract, and the share of profits of an investment fund. Capital income also includes the capital-income portion of forestry income and the capital-income portion of business income and the income of a partner in a consortium. That is, income derived from investments that the taxpayer has made is taxed as capital income.

[Read more about deductions from capital income.](#)

### Tax rate on capital income

Up to €30,000	<b>30 %</b>
Over €30,000	<b>34 %</b>

(Capital Income, 2018)

If your income tax percentage is below 30%, then you might want to make use of the tax benefit and have your eBook sales royalties taxed in Finland under the income tax. To be able to do this you need to provide a tax identification number, which you will provide during Amazon's tax information review and with which you can then apply for a reduced tax withholding from Amazon in the U.S. e.g. 0%.

It is notable though that you cannot apply for a U.S. tax identification number until you have received your first income from Amazon and in order to do so, you must already have completed Amazon's tax interview once. This basically underlines that as a starting writer you will have to submit yourself to the U.S. tax withhold at least at the beginning of your career, unless you already have a tax identification number in advance.

Once you have published an eBook to Amazon, it is a similar process to do the same to Apple Books. It gets easier once you have done it already for one selling channel. You can re-use all the information you had to submit to Amazon for



Apple as well. This includes the cover graphic, the book description, the tax review etc. If you went through the process of obtaining a U.S. tax identification number for Amazon, you now have it readily available once you decide to publish to Apple Books as well.

## 5 RECOMMENDATIONS

The thesis has answered that you can start selling globally with no investments needed, but some consideration should be given to spend money for a professional copy-editor and book cover design. Even though these are not necessities from a technical point of view e.g. you can publish an eBook on Amazon without investing in these, but from a quality point of view, it is money well spent to ensure that the eBook is pleasant for the customer.

It is advisable to start the journey of a digital publisher with Amazon and give Amazon exclusivity for the book sales at the launch of a new book. This way the benefits of Amazon's marketing for the Kindle Unlimited program will benefit the Author as well. Performance of the Kindle Unlimited program should however be monitored and if it isn't creating sufficient revenue or has stopped to create significant revenue, then it should be considered whether the exclusivity should be terminated and a parallel selling channel through Apple Books established. Nonetheless a Kindle version of the Book should still remain for regular sales on Amazon.

It has also been established that an eBook will not sell without marketing, so the idea of creating passive income just by publishing a digital book is not very plausible. It has been showcased that the writing part of a book is actually the smaller part of the book sale as a whole, from a time and effort perspective. So, you could easily argue that an equal amount or even more time should be spent on marketing activities, than what it took to write the book.

Reviews are important in online sales, and it is the same with book reviews for digital books. Firstly, books with book reviews will be pumped up in Amazon's listings, giving better visibility and as such marketing value to book reviews themselves. Secondly, good ratings on book reviews will encourage trust in potential customers on the content of the book and especially the quality of the content e.g. other readers have found it to be a good book too.

Marketing planning for a Kindle eBook would be a great further research topic. This thesis has listed some of the most popular online genres, so if a writer is aiming to maximize the sales potential of future books, one would be well advised to write for a genre which is already popular. All in all, the process of becoming a profitable digital author goes far beyond writing and publishing a book. If you haven't yet started to write a book, it would be good to plan the whole lifecycle of the book sale and not just the writing part. On the other hand, if you already have a book written on your computer, the next step would be to give it to a copy-editor and start planning the marketing activities. You shouldn't publish it before having a marketing plan.

From a business risk perspective, it doesn't take much to try your hands on becoming a digital author. Presuming that the needed skills to write a book in the first hand are already existing. You do not need to start your own company or even quit your day job. You can write a book as a hobby or as a side work and try out your sales potential by publishing it digitally. To get a true picture of the sales potential, you should also incorporate some time and money for the marketing activities to get the book a chance to be noted.

The reality is that only a few self-published writers make serious money from their works, and they typically create many books per year to keep the revenue stream flowing. So, expectations should be kept real. If you have one book or even a few down the line, they can produce some side income, but unless you are the next JK Rowling, chances are that you will still need to maintain your day job to pay your bills.

But I would be darned if I would finish this Thesis with such pessimism. After all, if you shoot for the stars, you might hit the moon. So, here is a list of the most successful writers and their net worth:

1. JK Rowling - \$1 billion
2. James Patterson - \$800 million
3. Jim Davis - \$800
4. Candy Spelling - \$600 million
5. Paul Coelho - \$500 million

6. Stephen King - \$500 million
  7. John Grisham - \$400 million
  8. Michael Crichton - \$400 million
  9. Nora Roberts - \$390 million
  10. Danielle Steel - \$385 million
  11. Barbara Taylor Bradford - \$300 million
  12. Tom Clancy - \$300 million
  13. Olivia Harrison - \$300 million
  14. Jeffrey Archer - \$200 million
  15. R.L. Stine - \$200 million
  16. Dean Koontz - \$200 million
  17. Jackie Collins - \$180 million
  18. Dan Brown - \$160 million
  19. David Oyedepo - \$150 million
  20. Stephenie Meyer - \$120 million
- (Favour, 2021)

There is always room for one more billionaire on the top writers list and unless you take the very first step, you will never know whether it could be you.

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