AUDIOBOOK PRODUCTION AND DISTRIBUTION IN AOTEAROA

NEW ZEALAND

Contents

Introduction

This report captures research undertaken in March and April 2023 into the local (ANZ) and international market for audiobook production and distribution, at a time of exceptionally rapid change and competition. Facts and information are as current as possible, noting the pace of developments in this area.

It is an edited version of a full-length report submitted to PANZ Council by the Aotearoa Audiobook Steering Group in June 2023 and is informed by a selection of slides from the Nielsen Bookdata audio report prepared for PANZ.

This report aims to capture the current state and near-future best practice for audiobook production and distribution in and from Aotearoa, and to identify the most viable options local publishers can use.

This report covers discoverability, consumption, production and distribution, and includes indicative costs on the main known methods, but excludes promotion, marketing and publicity at this time.

As a recap, some of the core objectives of this project (as expressed in the successful funding bid) are:
● Sector sustainability and resilience are increased
● Commercial opportunities are increased
● Audience access and participation are improved
● Voices from Aotearoa are readily available to readers of all abilities, wherever they are in the world, in an innovative format, including in te reo Māori, and including for the print-illiterate and non-traditional readers
● Publishers can meet demand for direct-to-consumer and through growing bookshop, library and school channels
● Practical knowledge and capability are developed
● Valuable IP and knowledge are commercialised and income streams created that benefit NZers
● Barriers are removed to realise the opportunity in the growing audiobook market
● The project rapidly creates scale and choice for readers

Above all, it is intended to ensure that audiobook production by NZ publishers of all sizes is sustainable, long term.

The purpose of the report is to ensure that publishers are aware of the possibilities that exist in audiobook publishing and have

the means to produce audiobooks as sustainably as possible. That is the only way that audiobook production in Aotearea New Zealand will become a normal part of the publishing process.

Accordingly, we recommend that;

- Readers keep an open mind about how to produce audiobooks.
- You fully read the various production methods that are laid out in the report and consider the ramifications of making audiobooks beyond the available funding.
- You take advantage of all training possibilities offered by PANZ or other external providers on various production methods

PLEASE NOTE:

- Audiobooks is a fast-moving area so some elements are almost out-of-date as soon as they are researched. This report was created in June 2023. However, we welcome hearing from members with new information or notes on these methods in this fast-moving space.
- Te reo Māori is not specifically separated from English generally though there are issues of pronunciation and indigenous IP. While the report does acknowledge the specific issues, publishers should be aware of, and respectful of, these issues.
- This report contains generalisations that arise from wide consultation with a large number of publishers who have differing experiences of audiobooks.
- This is not a completely exhaustive report of every single experience with audiobook production linked to a New Zealand publisher.

The audiobook market in New Zealand

It is exceptionally hard to get reliable data on the audiobook market in New Zealand. Across our market, unlike for ebooks and print books, we simply can't see what audiobooks New Zealanders are buying (local or international), in what numbers, on what devices, or in what genres.

For the big tech platforms (Amazon/Audible, Apple, Google and Spotify), competing in this valuable space, the privacy of their device users' data is just one stated reason why they won't share any stats or sales figures.

Additionally, New Zealand is simply too small a territory for big tech to break out as a market in its own right – so for audiobooks (and all their associated stores, devices and voice tech including e.g., navigation, translation, home speakers, AI, etc.) it is critical to remember that, as a market, <u>New Zealand is effectively a part of Australia</u>. This continues to hamper development of NZ or Māori-specific voice AI. However the evolving tech means this can – and will – change fast.

In addition, many NZers retain legacy US or UK subscriber accounts to e.g., Amazon, or access platforms and content via US or UK VPNs, leading to further distortion of location and regional data.

That said, audiobook trends, stats on market share, and user behaviour are highly consistent across English language territories in the developed world, so it's reasonable to extrapolate from Australian consumer data for NZ.

Main points to note:

- Based on NZ publisher case studies and data, Audible is highly likely to be worth (even) more of the NZ market than it is in Australia (66%+).
- Consumers discover and buy audiobooks in (very) different ways to print books – i.e., predominantly through the listening platforms, and commonly using subscription credits.
- Not all genres 'work' reliably in audio. (See below.)
- Throughout this report, the terms 'author' and 'publisher' are at times used interchangeably. This mirrors the terms used by the many aggregators/distributors/platforms and their primary publishing model, which (amply) serves the self-published author market as its main use case.

Understanding the Australian Audiobook Consumer 2022
In 2022 Nielsen BookData published a report which examined audiobook use and attitudes among Australian listeners and buyers. The table below outlines the details of which genres work most effectively in audiobook format in Australia, this is likely to also be reflected in the Aotearoa New Zealand market.

What genres work?
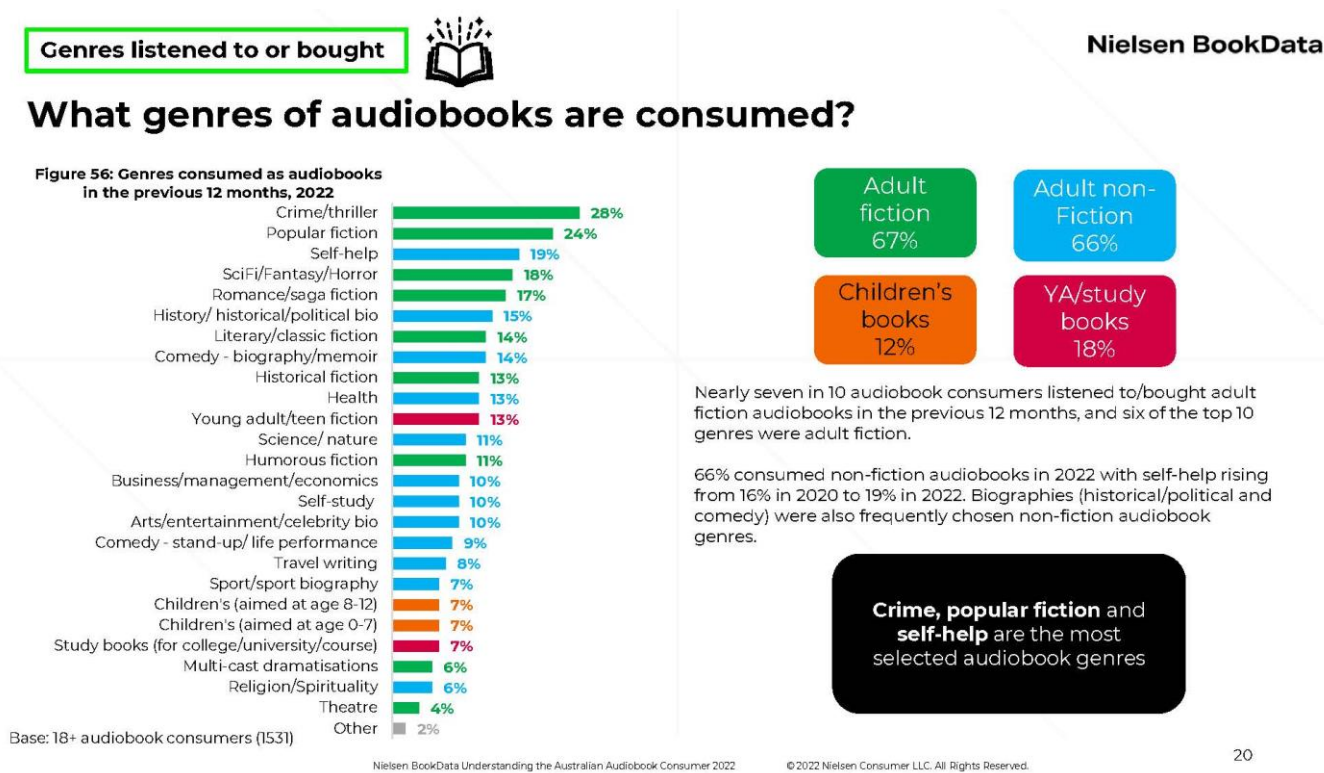
Additionally, the following factors help to support success in the audiobook market:

· The searchable long tail/books with strong ongoing proven demand in print and ebook
· Brand-name authors including for children and established fiction 'classics'.
· Authors who are exceptionally active across social media including video and Tiktok

The consumer landscape – where and how can New Zealanders find audiobooks?

	Platform	Owned/ powered by	Notes
	Audible	Amazon	Market leader by a large margin (we can assume even higher than Australia's 66%) Monthly subscription/credit model gives access to Amazon's vast audiobook catalogue. Licenses content for production by its Audible-exclusive publishing arm called Audible Studios and creates Audible-exclusive original content with authors.
	Amazon Prime Reading	Amazon	Subscribers can access a selection of the Audible library via their Amazon account. No Audible subscription needed.
	Kindle Unlimited using Whispersync	Amazon	Subscribers can listen to a selection of Kindle books with Audible narration and read-along on certain devices.
	Apple Books (previously 'iBooks')	Apple	Pay-as-you-go (no subscription) model for iTunes customers. Is exclusive to Apple platforms/iOS devices (iPhone, iPad, MacBook, etc.). Massive library/catalogue.

	Google Play Books	Google	Anyone with a Google account can find, buy and listen to individual audiobooks using the Google Play app and website (no subscription; pay-as-you-go.)
	Spotify	Spotify (was Findaway)	Spotify bought Findaway, the world's largest audiobook distributor, in 2019 Subscribers can stream and download Findaway's huge catalogue of audiobooks. But N.B.: currently no in-app purchase is possible due to Apple/app fee issues, so users need to go to the web browser to actually buy. In Spotify's own words, 'we know it's not ideal' – but a major player so watch this space.
Blinkist	Blinkist		'Digest' startup app aimed at self-help/business readers that feeds subscribers 15-minute explainers of popular non-fiction books in audio and text. App contains thousands of titles with fresh popular/trending books added every week. Now, full-length audiobooks are offered at a special member price for Blinkist Premium members. (Publishers can submit for consideration.)
booktopia	Booktopia	Booktopia (AU)	In 2020, Australia's largest online bookstore, Booktopia, launched a joint venture with Rakuten Kobo to provide eBook and downloadable audiobooks through the Booktopia/Rakuten Kobo app. Subscriber/credit model as well as one-off purchasing. Audiobooks can only be listened to on the Elipsa, Libra and Sage Kobo eReader devices.
kobo	Kobo Audiobooks	Rakuten (Japan)	Monthly subscription/credit model

	Audio books.com	Storytel (Sweden)	Monthly subscription/credit model
	Wavesound (AU)	RBmedia	Australia's leading publisher/distributor of audiobooks, large print books and digital products across physical and digital retail. Includes RBmedia-owned Audio books.com titles. Strong library distribution.
	Libro.fm	Employee owned/ social good enterprise	Digital platform enables in-bookshop audiobook sales. Users can support a chosen indie bookseller of choice. Launches in NZ in July Sister companies are W.F. Howes Ltd. (UK) and Recorded Books (US) – not small.
	Libby	Overdrive	Free library-issue audiobooks available to anyone with a current library membership. Overdrive also powers Sora for student listening/education.
	Bolinda	Bolinda (AUS/ UK)	Physical and digital audiobook producers and publishers, strong library distribution, Borrowbox app
	BLVNZ	BLVNZ	A library of NZ-voiced, NZ-produced audiobooks are available to eligible, registered members who have a visual impairment, with more being recorded all the time.
	Readcloud (AU)		Educational e-learning/digital content app for schools Not widely used by NZ educational publishers.

	Audiobooks NZ	Theo Gibson	New platform in development.
Other players to watch include Scribd, Chirp, Speechify and Hoopla.			

Production and distribution in Aotearoa New Zealand now

Current state – how are we publishing our audiobooks, now?

The New Zealand market for audiobooks is best understood as emerging or developing, comparative to the major English language territories of the US, UK and Australia.

Audiobook production remains cost-prohibitive to the vast majority of NZ publishers and is of course subject to the same eternal constricting factors (cost, capability, staff capacity, total potential reading population) as physical book publication in this market.

Until recently in Aotearoa New Zealand, audiobook rights were a secondary or tertiary interest for book publishers, well behind territorial rights/exports and ebooks. Audio rights were frequently sold or licensed to one of a handful of specialist producer/publishers for various purposes – namely Audible and:

- **Bolinda** for the commercial and library audiobook market, both physical and digital, which through the 2000s actively sought – and still hold – exclusive license in a number of classic backlist NZ audiobook titles from various publishers and remits income to publishers and authors on this basis. One international trend is publishers seeking rights and file buy-backs from Bolinda or not renewing rights on rollover.

- **Blind Low Vision New Zealand** (formerly Foundation for the Blind) which previously licensed NZ titles from publishers for accessible format adaptation but now which, under the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled, to which NZ has been a signatory since 2020, no longer needs this license and instead creates them directly, either from supplied PDFs or scanned physical books.

- **RNZ** (formerly Radio New Zealand) which has long licensed NZ books from publishers for radio adaptation and broadcast, both abridged and full-length, straight readings and dramatizations, and since approx. 2018 has actively promoted these recordings as 'audiobooks' and sought wide-ranging, long-term, multi-media, multi-platform licenses for them.

More recently, activity has expanded to include.:

- **Audiobooks NZ**: From 2018, this company has sought to license rights, produce and publish NZ titles on its own website, and (later) to produce on behalf and support/manage distribution for clients. Currently, its partnership with Findaway, Bolinda and Overdrive affords their publishers' audiobooks wide distribution to over 40 platforms (including all the major ones) and numerous territories.

- **In-house recording.:** Since approximately 2020, various NZ publishers, but predominantly those with intra-company access to the more mature Australian and international audiobook trade, have created NZ audiobooks via their parent companies using in-house company studios in Australia or with corporate production and distribution partners under company-wide agreements, employing suitable NZ voice talent.

- **Commercial studios and sole operators:** Commercial recording studios are well established, and many have long worked with Aotearoa's publishers on and off over the years to create audio and video content**.** Now, given the rise and rise in user-generated audio production (podcasting), at-home ways of working in the post-Covid era and the growing and skilled freelance producer market for media content in this country, there is a proliferation of relatively affordable recording studios all over NZ available to publishers, with overheads declining all the time, as well as more media partners.

At the time of writing, there is no single leading provider/aggregator for educational audiobooks in NZ.

In short, there are as many options as there are audiobooks.

Current state – Ecosystem

NZ publishers are in a transitional phase for audiobook production with – as yet – a reliance on traditional 'middleman' producer/distributor/publishers, professional studios and legacy organisations. Meanwhile, a separate model entirely has developed alongside this, driven by tech platforms, innovations in AI for voice, and self-published authors.
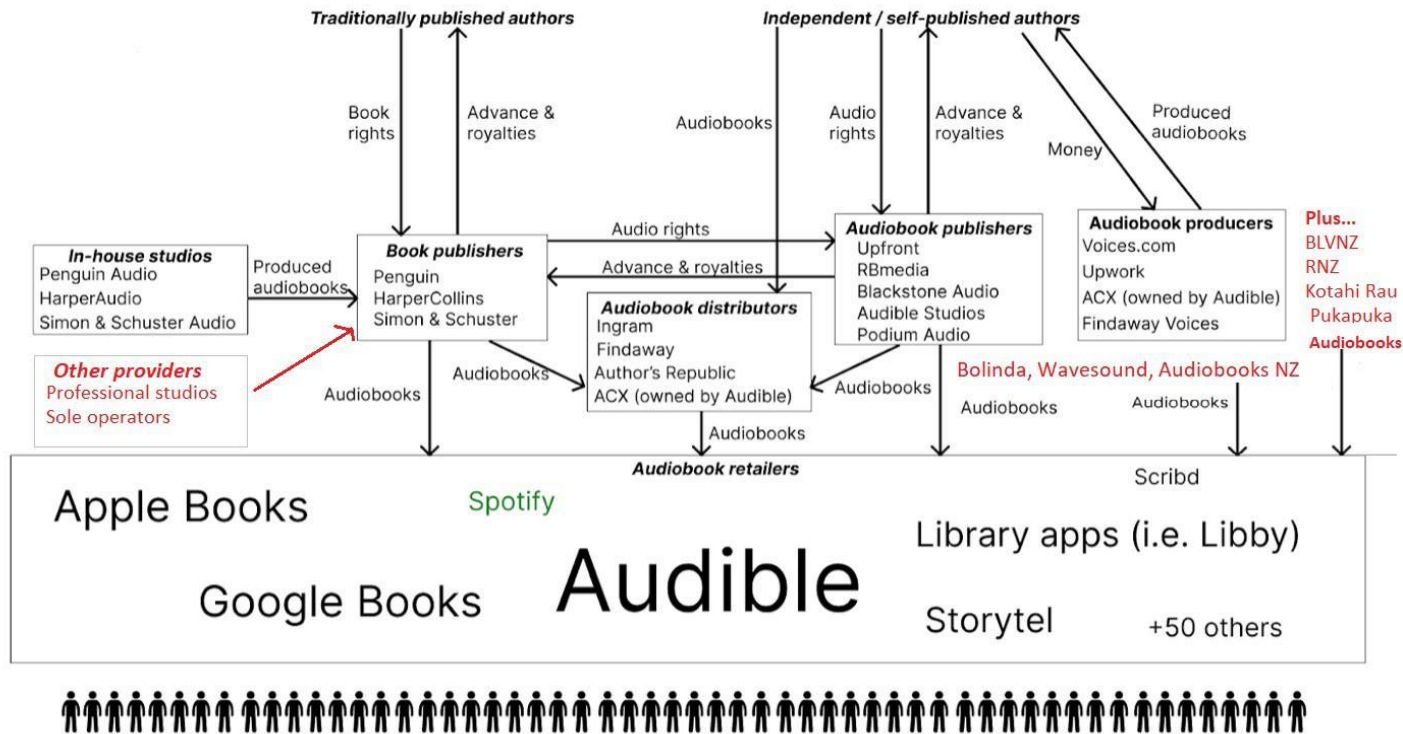
Note: Ecosystem diagram adapted with additions in red for the NZ market. "Adapted from 'Spotify's Big Bet on Audiobooks', Tyler Finklelstein, 13 December 2022 (unattributed) in Every.to"

Current and near-future options

If the local audiobook market is merely 'developing', this is nonetheless happening at an international moment of major disruption and transition for audiobooks and audio in general.

This is due to:
    a) The rapid development and widespread commercialisation of voice AI;
    b) The consumer boom in audio tech (such as smart speakers, the Internet of Things and in-vehicle audio) that is unprecedented since the 1980s and still growing;
    c) The growth of audio and listening as a mode in general (podcasts, serials) in preference to/addition to screens; and
    d) The intense competition in the audiobook space, especially among massive tech players.

There is a great variety of well-established distributor/aggregators, enabling publishers everywhere (including in NZ) to upload their audiobooks and metadata once and publish widely (assuming non-exclusive terms, that is).

Because of the very poor margins on audiobooks and comparatively small potential audience for NZ books, NZ publishers need every possible unit sale/download they can get on every single audiobook they produce – from retail, library/reference, education and (now, via Libro, from July 2023) bricks-and-mortar channels.

Equally important under this project is reaching non-traditional book readers (including men, some Māori and Pacific people, people on low incomes, younger people (who under-index as Audible users), and the blind/low vision community as well as others with accessibility needs.

Finally, non-exclusive terms best serve the IP retention goals of this project and allow individual NZ publishers, PANZ and our industry as a whole to avoid binding, time-restricted contracts or terms at a time when the future is unknown, and flexibility will be useful.

Following is a summary of current providers, however we do expect things to move quickly in this dynamic environment.

AI and in-platform distributors, aggregators and other providers

Product	Launched	Availability	How it works	Distribution	Cost/Terms
ACX (Audiobook Creation Exchange)	Well established. (Launched 2011)	Is not currently available to NZers or Australians (currently only residents of the US, UK, Canada and Ireland with local tax, mailing and banking verified) – but there are workarounds and alternatives (mainly through the platform's narrators/producer).	Authors/publishers can self-record. Is also a 'marketplace' for production, matching the platform's gigging narrators/producers with authors/publishers. Some NZ narrators are on the platform. **Does not currently accept AI-voiced narration - but watch this space**	Once QAed and approved, distribution is automatic to Audible, Amazon, and iTunes under all tiers.	Has both exclusive-to-Amazon (40% net) and non-exclusive (25% net) royalty tiers – on a la carte audiobook purchases. Subscriber/credit and discount purchases and returned/unfinished books pay less. Authors/publishers pay a one-time fee for narration (varies, see costs chart p.32) OR a royalty share option (20% net if shared with a narrator/ producer)
Google Play for Authors (AI)	Launched auto-narration (AI) on 22 April 2022 In: English French	Available to NZers 3 Australian accents available but no NZ accents as yet and no te reo Māori.	Requirements = ©; plus an existing ebook already available on Google Play	Following QA/tweaks, publishing to Google Play is automatic once processed and approved.	Currently free to use, no fees. Ebooks published direct to Google earn 70% on list

	German Portuguese (BR) Spanish		AI narration is automatic in the platform after setup/pushing go and can be monitored and tweaked, word by word.		price in various countries, incl. NZ. Non-exclusive Once recorded, can be distributed widely (not just on Google Play).
Apple Books for Authors (AI)	AI launched 5 Jan 2023 Initially offer was only fiction/ romance, but now includes non-fiction. Launched with two AI-narrator voices, Madison and Jackson (m and f) for genre fiction. Two more voices, Helena and Mitchell, are now available for nonfiction books.	Available to NZers No NZ accents and no te reo Māori.	Requirements = © plus an ebook the publisher is currently selling on Apple Books via their preferred suppliers, Draft2Digital or Ingram's CoreSource distribution platform; Lantern or PublishDrive. AI narration is automatic in the platform after setup and can be monitored and tweaked, word by word. Following QA/tweaks by the author/publisher, publishing to Apple Books is automatic	Distribution is solely via Apple Books and to public/academic libraries.	Currently free to use, no fees. Ebooks pay 70% net on all price points, but 'wholesale price limits may apply' for audio. Non-exclusive - there are no restrictions on producing and distributing other versions of the audiobook.

			once processed and approved.		
VALL-E Microsoft's voice-simulating AI	Jan 2023	Not commercially available in NZ or anywhere	Incredibly rapid machine training/voice-cloning – they say 3 mins.	N/A	N/A Would require technical expertise for anyone in NZ to use this in the short term.
DeepZen	2018	Available to NZers	Specialist voice AI providers focused on emotive, human, high-quality artificial voices. Has well-developed, cost-effective, audiobook-specific offers aimed at the publishing industry incl. production and distribution. Kind of like an AI version of Audiobooks NZ.	Assist with distribution setup to 50+ major partners incl. Apple Books, Spotify, Deezer, Google Play, Kobo, Kobo, Scribd, Storytel and Bibliotheca.	For production: Various cost strata depending on requirements/quality/scale including managed and automatic. (See costs chart on p. 41) For distribution: Setup fee ($69/ £49 plus annual fee. ($24.99/ £19.99) Publisher retains 100% net receipts on sales.

Speechki	2019	Available to NZers	Another specialist voice AI provider targeting the book publishing industry and offering automatic narration. Has well-developed, cost-effective, speedy offers. Advertises 76 languages and a diverse selection of voices (male, female, or child) and accents. Definitely Australian voice. NZ uncertain.	They do not distribute, they do not take rights. Narration services only.	Publishers pay costs of $500-$1,000 USD per audiobook depending on complexity and other factors.
Speechify	2016	Available to NZers	Hugely popular automatic text-to-speech tool. Uses OCR to turn any text at all into audio. Also offers subscribers access to 60K+ audiobooks, both public domain and in-copyright, with a monthly credit system. Also offers publishers/authors	Speechify app or plugin	

			audiobook publishing. Has US, British and Australian accents; no NZ at time of research.		
Findaway Voices (Spotify-owned)	Well established (launched 2021), trusted and popular	Available to NZers Also, Audiobooks NZ has a distribution partnership with Findaway, so books they produce are available like all Findaway titles (rights permitting; rights control possible).	Aggregator/ distributor Matches narrators/producers with authors/publishers. **Does not currently accept AI narration.**	Aggregates/ distributes to over 40 platforms (including all the major ones) and 140+ countries and territories.	Authors/publishers pay half the normal cost of an audiobook. Author/publisher gets 80% net royalty (after approx. 50% retailer discount) If narration, Findaway and the narrator share the remaining 20%.
Ingram CoreSource	Well established	Available to NZers Some local companies may already have Ingram accounts for e.g., Lightning Source Note is one of only two accepted distributors for the Apple AI programme above.	Aggregator/ distributor Single platform for e and audio sales and distribution. Focused on the book trade; publisher centric. No recording or narration aspect,	Aggregates/ distributes for 37k publishers – large and small – around the world. Distributes widely to retail, libraries, education, etc all major platforms and countries plus Ingram's own	Flexible options for publishers of different sizes – e.g., one-offs and monthly fees and enterprise options.

			instead file management, pre-flight acceptance testing for metadata etc. Reporting	Lightning Source and ipage.	
Lantern PublishDrive	Well established	Available to NZers Note is one of only two accepted distributors for the Apple AI programme above.	Uses Ingram Aggregator/ distributor (as well as many other publishing industry and self- publishing tools). Self-published authors and small indies love their royalty-splitting, rights mgmt. and reporting tools.	Basically the same as Ingram – very wide	As above - flexible options for publishers of different sizes – e.g., one-offs and monthly fees and enterprise options.
Author's Republic	Well established popular indie	Available to NZers	Another 'marketplace' alternative to ACX that matches narrators/producers with authors/publishers. **Does not accept AI narration, human voices only**		Authors/publishers pay the narrator based on a PFH rate (fees vary, see cost chart on p.32) Author/publisher gets 70% 'of what your book earns' – i.e., net royalty (after approx. 50% retailer discount)

Kobo Writing Life	2012 (audiobooks from 2019)		Portal for the uploading of audiobooks and distribution to Kobo and partner sites. **Accepts AI-voiced audiobooks.**	On acceptance, distribution is automatic to Kobo.com and various territory partners, notably Walmart (US); Indigo (CA); BOL (NL); and Booktopia (AU).	No fees Authors/publisher get 45% of the list price for a-la-carte purchases, provided the list price is greater than, or equal to $2.99 USD. For subscription downloads, 32% of the list price.
Soundwise	2019	Available to NZers	Small, indie, focused on self-publishers (in music as well as books). Distinguished by its direct author/publisher-to- customer offer (analytics at the individual listener level; ability for listeners and readers to comment on books/music) Offers audio content hosting, in-browser audio recording, automatic audio editing, built-in sales pages, secure delivery through web and mobile,	Own app and website only.	Monthly/annual fee with different tiers of service.

			payment processing, analytics and listener support.		
There are other distributor/aggregators available to Australian and NZ authors, including Voices of Today, Audiobooks Unleashed Distribution and Spoken Realms that distribute audiobooks via Royalty Share into the same markets as ACX and Findaway Voices, plus narrator/producers such as NarratorList.com and/or AussieNarrator.com but these are not detailed here.					

A Note on Audible

To get your audiobook onto Audible as a NZ author or publisher, you need an aggregator/distributor (like the ones mentioned above) OR you need to sell or license the rights to another publisher (such as Bolinda). Very few NZ publishers are able to have direct contracts with Amazon/Audible.

To upload to, or record directly with, Audible, publishers and authors need an ACX account and only residents of the US, UK, Canada and Ireland with local tax, mailing and banking verified are eligible at the time of writing.
In addition, ACX only distributes to Audible, Amazon, and iTune

Critical path - how do you make an audiobook in NZ?

In order to make any audiobook, publishers need to do the following.:

- **Select commercially viable title/s** for audio production, taking into account likely audience demand (proven successes, successful audio genres, searchability of content or author, or strong online presence).

- **Hold or obtain copyright/licensing permission** from the author or copyright-holder to record, publish and sell the audiobook edition. N.B.: this needs to cover audiobooks <u>as distinct from other digital adaptations, audio readings or performances.</u> For older titles this may require revisiting legacy contracts and **renegotiating royalties** to meet current industry standards and rates.

- Identify preferred **distribution strategy and platform/s** weighing up pros and cons (See 'Comparison Table, p.34). This means an aggregator/distributor (e.g., Findaway); platform-direct like Audible, iTunes, Google Play, Kobo; specialist distributors to libraries, schools, etc.; third-party distribution locally (e.g., Audiobooks NZ) or internationally (e.g., by IPG) or self-distribution via own website or social media channels. Or any mix of these.

- Understand the terms (exclusive or non-exclusive) and fee remittance/royalty structures and applicable distribution charges of any chosen distribution partner/s, and their effect on the **financial viability** of any audiobook/s to be produced. (See sample audiobook costings, p.27 onwards).

- Get an **ISBN** from the National Library of New Zealand per audiobook before publishing it or distributing it through booksellers, libraries or other organizations. This requires **basic title, author and format metadata** to ensure any audiobook is discoverable and accessible to readers and booksellers, plus (ultimately) a cover.

- **Produce** the audiobook. (See costs table, p.32 for known cost estimates) This means.:
  - Establish the **file formats and minimum technical specifications** for publication (as set by platform/s) to avoid later file rejection. For example, Audible requires your audiobook files to be in ACX-approved formats, while iTunes and Google Play require the files to be in MP3 format; many providers set chapter limits of e.g., no more than 120 minutes and pause limits between chapters; there are level requirements of (Audible again) -23dB and -18dB; files must be recorded at a specific frequency and transmission speed for high audio quality with minimal noises and distortions.
  - Oversee **production** (self, studio, freelance producer), noting that this can be an important time for authors

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and an opportunity for author care by publishers/editors and – like QA and testing below – can be performed by editorial staff, as they include basic project management and comms, seeking quotes, scheduling, providing files, and the correx listed below under 'QA and test' and align with print and ebook workflows.

- o **Voice** the audiobook (narrator, author or AI), noting any royalty-share requirements.
- o **Record** the audiobook (self with a suitable **microphone, space and other equipment**, studio, freelance, or in-platform)
- o **Edit and mix** the recorded audio (studio, freelance audio engineering, in-platform, or self – the latter using **editing software** such as Audacity or Adobe Audition)
- o **QA and test** the audiobook, including audio 'proofreading' and overseeing the taking in of corrections and any other narrator fixes and pick-ups. Note that these skills are fundamentally akin to editorial/book project management skills and do not require very much specialist technical or audio knowledge. These jobs are increasingly widely performed by editorial staff across the industry and – in near future – could feasibly be taught by e.g., Whitireia.
- o **Name and prepare the files** to platform specs and standards.
- o **Upload/send** the audiobook for distribution (see 'Distribute' below)

- Prepare a **cover** file (self or freelance design) meeting current industry standards and specifications (as set by platform/s).

- **Distribute** the audiobook, either exclusively to a single platform or non-exclusively to multiple platforms. Each platform has its own specific requirements and procedures for uploading audiobooks, but the general steps are as follows:
  - o Create an account with the chosen distribution platform/s
  - o Set up your payment details
  - o Upload the final audiobook files and metadata to the distribution platform/s.
  - o Set the RRP, taking into account the length of the recording, production costs, and current industry standards, plus other details, such as distribution territories and marketing options, as required by the platform/s.
  - o Wait for the distribution platform to review and approve your audiobook. N.B.: This process can take several days to several weeks, depending on the platform and may require further changes and corrections.
  - o Once approved, the audiobook will be available for sale on the platform and sales and royalties may be tracked via the account dashboard/s.

- **Promote** your audiobook. (N.B.: Marketing and publicity are out of scope for this report.)

- **Monitor** sales and feedback and action. (N.B.: Post-publication is out of scope for this report.)

DIY Requirements

To self-record an audiobook, you or an author/narrator will need (at minimum):

- o A USB condenser-style microphone
- o A laptop or other computer with min 8GB of RAM
- o A portable small sound booth or suitable space such as a carpeted room
- o A free trial or free open-source digital audio workstation
- o A portable tablet/smartphone stand
- o To avoid unwanted noises (street noise, cars, pets, appliances, etc.)
- o Software to check and QA against platform standards. (Amazon says, 'We don't recommend any specific software, but our internal partners have shared that they find Adobe Audition, Reaper using SWS extensions and iZotope RX to be user-friendly and give readings consistent with the proprietary tools we use.')
- o Optional: Headphones
- o Optional: Pop filter

See the costs chart on p.32 for known estimates on equipment and software.

Minimum Audio Specifications Based on Audible Guidelines[1]

File Type

Audible accepts audio assets configured to the following specifications:

- WAV:
    a. Sampling Frequency: 44.1 kHz
    b. Bit Depth: 16 Bit
- MP3:
    a. Sampling Frequency: 44.1 kHz
    b. Constant Bit Rate (CBR), not Variable Bit Rate (VBR) files
    c. Bit Rate: 192kbps or higher

Channel Type: Mono/Stereo

- Mono or Stereo asset delivery are accepted, but all assets for each individual product must remain consistent for the entirety of each individual production.

- It is recommended to deliver assets in stereo if the particular product contains field recordings, music, and/or SFX.

Audio Signal Specifications

- Audible follows the *AES Recommendation for Loudness of Audio Streaming and Network File Playback* and therefore applies the following loudness standard. The integrated loudness of each product (audiobook, audio drama, podcast etc.) should meet the below-mentioned values, which means that the focus lies on the loudness of the entire program rather than every single audio file.

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[1] https://www.acx.com/help/acx-audio-submission-requirements/201456300

Recommend Integrated Program Loudness	Accepted Integrated Program Loudness Range	Accepted Integrated Loudness Range (Per Audio File)	Recommended Loudness Range	Accepted True Peak Maximum
-16 LUFS (ca. -19 dB RMS stereo | -16 dB RMS mono)	-18 LUFS to -16 LUFS (ca. -21 dB RMS to -19 dB RMS stereo -18 dB RMS to -16 dB RMS mono)	-11 LUFS to -21 LUFS (ca. -24 dB RMS to -14 dB RMS stereo -11 dB RMS to -21 dB RMS mono)	max. 7 LU	-1 dB TP

- In order to reach the recommended integrated loudness of -16 upon mastering, it is recommended to set a source input loudness of ca. -21 LUFS during recording.
- Please do not over-compress or apply heavy limiting to the audio files.
- Recommended Noise Floor should not be greater than -60dB. High noise floor causes the customer to hear unwanted artifacts such as hiss and hum.
- Maximum length of silence at the beginning and end of audio files should not exceed 3 seconds.

Chapter Splitting

- One chapter per audio file.

  - If an audio file exceeds 119 minutes in length, please split into multiple files.
- Please deliver intro and outro credits as their own separate files.

Costs for NZ publishers (These are indicative only, based on a variety of case studies)

<u>Sample costings</u>

1. NZ studio production

DATE	28/04/23					
TITLE	Dummy NZ audiobook (NZ studio production)					
SPECS	WAV file					
PRINT RUN/estimated downloads	500	750	1000	1500	3000	
RRP	$35.00	$35.00	$35.00	$35.00	$35.00	
RRP ex-gst	$30.43	$30.43	$30.43	$30.43	$30.43	
Retailer discount (terms vary wildly, up to 75%)	65%	65%	65%	65%	65%	
Income per unit/dl	$ 10.65	$ 10.65	$ 10.65	$ 10.65	$ 10.65	
PRODUCTION COSTS						
Narration	3000	3000	3000	3000	3000	
Studio engineering (all production mgmt covered)	7500	7500	7500	7500	7500	
Production management (in-house/editorial) - say $1500	0	0	0	0	0	
Audio proofing and correx (in-house/editorial) - say $500	500	500	500	500	500	
Cover	300	300	300	300	300	
(Subsidy)	0	0	0	0	0	
Production cost TOTAL	$ 11,300.00	$ 11,300.00	$ 11,300.00	$ 11,300.00	$ 11,300.00	
Production cost per unit/dl	$22.60	$15.07	$11.30	$7.53	$3.77	
SALES INCOME						
Print run	500	750	1000	1500	3000	
Gratis	0	0	0	0	0	
Units sold/dls less gratis	500	750	1000	1500	3000	
Sales income less retailer discount	$5,326.09	$7,989.13	$10,652.17	$15,978.26	$31,956.52	
Income TOTAL	$5,326.09	$7,989.13	$10,652.17	$15,978.26	$31,956.52	
ROYALTIES						
Author royalty, net receipts basis (varies from 10%-25%)	10%	10%	10%	10%	10%	
Author royalty per unit/dl	$ 1.07	$ 1.07	$ 1.07	$ 1.07	$ 1.07	
Total author royalties payable	$532.61	$798.91	$1,065.22	$1,597.83	$3,195.65	
Other royalties payable (e.g., narrator, co-publisher)	$0.00	$0.00	$0.00	$0.00	$0.00	
Royalties TOTAL	$532.61	$798.91	$1,065.22	$1,597.83	$3,195.65	
DISTRIBUTION (if applicable)						
Distribution/file hosting fee (varies), %age of sales revenue	20%	20%	20%	20%	20%	
Distribution per unit/dl	$2.13	$2.13	$2.13	$2.13	$2.13	
Distribution TOTAL	$1,065.22	$1,597.83	$2,130.43	$3,195.65	$6,391.30	
GROSS MARGIN						
Total income	$5,326.09	$7,989.13	$10,652.17	$15,978.26	$31,956.52	
Production cost	$11,300.00	$11,300.00	$11,300.00	$11,300.00	$11,300.00	
Royalties	$532.61	$798.91	$1,065.22	$1,597.83	$3,195.65	
Distribution	$1,065.22	$1,597.83	$2,130.43	$3,195.65	$6,391.30	
TOTAL COST/PROFIT	-$7,571.74	-$5,707.61	-$3,843.48	-$115.22	$11,069.57	

A note on costs

Throughout this report, all costs are based on a 75,000-word narrative book (fiction or non-fiction), of 7.5 listening hours' duration.
This equates to recording time of 7.5-8, 4-hour half-days in the studio.
Very large and very small books scale proportionately.
Print runs given are generous (total life sales of fewer than 500 copies are common in NZ).
See page 32 onwards for more detail on indicative costs, especially the section "Where does the money go?" on platforms/discounting.

2. DIY recording

DATE	28/04/23					
TITLE	Dummy NZ audiobook (DIY)					
SPECS	WAV file					
PRINT RUN/estimated downloads		500	750	1000	1500	3000
RRP		$35.00	$35.00	$35.00	$35.00	$35.00
RRP ex-gst		$30.43	$30.43	$30.43	$30.43	$30.43
Retailer discount (terms vary wildly, up to 75%)		65%	65%	65%	65%	65%
Income per unit/dl	$	10.65	$ 10.65	$ 10.65	$ 10.65	$ 10.65
PRODUCTION COSTS						
Setup (one-off purchase of microphone, booth, etc. of approx. $300-$500)		500	500	500	500	500
Narration - assumes author/publisher for free		0	0	0	0	0
Studio engineering (all production mgmt covered)		0	0	0	0	0
Production management (in-house/editorial) - say $1500		1500	1500	1500	1500	1500
Audio proofing and correx (in-house/editorial) - say $500		500	500	500	500	500
Cover		300	300	300	300	300
(Subsidy)		0	0	0	0	0
Production cost TOTAL	$	2,800.00	$ 2,800.00	$ 2,800.00	$ 2,800.00	$ 2,800.00
Production cost per unit/dl		$5.60	$3.73	$2.80	$1.87	$0.93
SALES INCOME						
Print run		500	750	1000	1500	3000
Gratis		0	0	0	0	0
Units sold/dls less gratis		500	750	1000	1500	3000
Sales income less retailer discount		$5,326.09	$7,989.13	$10,652.17	$15,978.26	$31,956.52
Income TOTAL		$5,326.09	$7,989.13	$10,652.17	$15,978.26	$31,956.52
ROYALTIES						
Author royalty, net receipts basis (varies from 10%-25%)		10%	10%	10%	10%	10%
Author royalty per unit/dl	$	1.07	$ 1.07	$ 1.07	$ 1.07	$ 1.07
Total author royalties payable		$532.61	$798.91	$1,065.22	$1,597.83	$3,195.65
Other royalties payable (e.g., narrator, co-publisher)		$0.00	$0.00	$0.00	$0.00	$0.00
Royalties TOTAL		$532.61	$798.91	$1,065.22	$1,597.83	$3,195.65
DISTRIBUTION (if applicable)						
Distribution/file hosting fee (varies), %age of sales revenue		20%	20%	20%	20%	20%
Distribution per unit/dl		$2.13	$2.13	$2.13	$2.13	$2.13
Distribution TOTAL		$1,065.22	$1,597.83	$2,130.43	$3,195.65	$6,391.30
GROSS MARGIN						
Total income		$5,326.09	$7,989.13	$10,652.17	$15,978.26	$31,956.52
Production cost		$2,800.00	$2,800.00	$2,800.00	$2,800.00	$2,800.00
Royalties		$532.61	$798.91	$1,065.22	$1,597.83	$3,195.65
Distribution		$1,065.22	$1,597.83	$2,130.43	$3,195.65	$6,391.30
TOTAL COST/PROFIT		$928.26	$2,792.39	$4,656.52	$8,384.78	$19,569.57

3. AI voice and dist (1)

DATE	28/04/23					
TITLE	Dummy NZ audiobook (AI voice and automatic distribution via higher-end provider e.g. DeepZen, non-exclusiv					
SPECS	WAV file					
PRINT RUN/estimated downloads	500	750	1000	1500	3000	
RRP	$35.00	$35.00	$35.00	$35.00	$35.00	
RRP ex-gst	$30.43	$30.43	$30.43	$30.43	$30.43	
Retailer discount (terms vary wildly, up to 75%)	65%	65%	65%	65%	65%	
Income per unit/dl	$ 10.65	$ 10.65	$ 10.65	$ 10.65	$ 10.65	
PRODUCTION COSTS						
Narration plus one-off setup fee ($64/£49) plus annual fee ($24.99/£19.99)	2250	2250	2250	2250	2250	
Studio engineering (all production mgmt covered)	0	0	0	0	0	
Production management (in-house/editorial) – say $1500	1000	1000	1000	1000	1000	Less intensive
Audio proofing and correx (in-house/editorial) – say $500	500	500	500	500	500	
Cover	300	300	300	300	300	
(Subsidy)	0	0	0	0	0	
Production cost TOTAL	$ 4,050.00	$ 4,050.00	$ 4,050.00	$ 4,050.00	$ 4,050.00	
Production cost per unit/dl	$8.10	$5.40	$4.05	$2.70	$1.35	
SALES INCOME						
Print run	500	750	1000	1500	3000	
Gratis	0	0	0	0	0	
Units sold/dls less gratis	500	750	1000	1500	3000	
Sales income less retailer discount	$5,326.09	$7,989.13	$10,652.17	$15,978.26	$31,956.52	
Income TOTAL	$5,326.09	$7,989.13	$10,652.17	$15,978.26	$31,956.52	
ROYALTIES						
Author royalty, net receipts basis (varies from 10%-25%)	10%	10%	10%	10%	10%	
Author royalty per unit/dl	$ 1.07	$ 1.07	$ 1.07	$ 1.07	$ 1.07	
Total author royalties payable	$532.61	$798.91	$1,065.22	$1,597.83	$3,195.65	
Other royalties payable (e.g., narrator, co-publisher)	$0.00	$0.00	$0.00	$0.00	$0.00	
Royalties TOTAL	$532.61	$798.91	$1,065.22	$1,597.83	$3,195.65	
DISTRIBUTION (if applicable)						
Distribution/file hosting fee (varies), %age of sales revenue	0%	0%	0%	0%	0%	Publishers retain 100% net re
Distribution per unit/dl	$2.13	$2.13	$2.13	$2.13	$2.13	
Distribution TOTAL	$0.00	$0.00	$0.00	$0.00	$0.00	
GROSS MARGIN						
Total income	$5,326.09	$7,989.13	$10,652.17	$15,978.26	$31,956.52	
Production cost	$4,050.00	$4,050.00	$4,050.00	$4,050.00	$4,050.00	
Royalties	$532.61	$798.91	$1,065.22	$1,597.83	$3,195.65	
Distribution	$0.00	$0.00	$0.00	$0.00	$0.00	
TOTAL COST/PROFIT	$743.48	$3,140.22	$5,536.96	$10,330.43	$24,710.87	

4. AI voice and dist (2)

DATE	28/04/23					
TITLE	Dummy NZ audiobook (AI voice and automatic distribution (100% of "print run") via Apple or Google, but is non-exclusive)					
SPECS	WAV file					
PRINT RUN/estimated downloads	500	750	1000	1500	3000	
RRP	$35.00	$35.00	$35.00	$35.00	$35.00	
RRP ex-gst	$30.43	$30.43	$30.43	$30.43	$30.43	
Retailer discount (terms vary wildly, up to 75%)	50%	50%	50%	50%	50%	Both have higher prices per book than subscription models
Income per unit/dl	$ 15.22	$ 15.22	$ 15.22	$ 15.22	$ 15.22	
PRODUCTION COSTS						
Narration	0	0	0	0	0	
Studio engineering (all production mgmt covered)	0	0	0	0	0	
Production management (in-house/editorial) - say $1500	1500	1500	1500	1500	1500	
Audio proofing and correx (in-house/editorial) - say $500	500	500	500	500	500	
Cover	300	300	300	300	300	
(Subsidy)	0	0	0	0	0	
Production cost TOTAL	$ 2,300.00	$ 2,300.00	$ 2,300.00	$ 2,300.00	$ 2,300.00	
Production cost per unit/dl	$4.60	$3.07	$2.30	$1.53	$0.77	
SALES INCOME						
Print run	500	750	1000	1500	3000	
Gratis	0	0	0	0	0	
Units sold/dls less gratis	500	750	1000	1500	3000	
Sales income less retailer discount	$7,608.70	$11,413.04	$15,217.39	$22,826.09	$45,652.17	
Income TOTAL	$7,608.70	$11,413.04	$15,217.39	$22,826.09	$45,652.17	
ROYALTIES						
Author royalty, net receipts basis (varies from 10%-25%)	10%	10%	10%	10%	10%	
Author royalty per unit/dl	$ 1.52	$ 1.52	$ 1.52	$ 1.52	$ 1.52	
Total author royalties payable	$760.87	$1,141.30	$1,521.74	$2,282.61	$4,565.22	
Other royalties payable (e.g., narrator, co-publisher)	$0.00	$0.00	$0.00	$0.00	$0.00	
Royalties TOTAL	$760.87	$1,141.30	$1,521.74	$2,282.61	$4,565.22	
DISTRIBUTION (if applicable)						
Distribution/file hosting fee (varies), %age of sales revenue	30%	30%	30%	30%	30%	Both pay publishers 70% net
Distribution per unit/dl	$3.04	$3.04	$3.04	$3.04	$3.04	
Distribution TOTAL	$2,282.61	$3,423.91	$4,565.22	$6,847.83	$13,695.65	
GROSS MARGIN						
Total income	$7,608.70	$11,413.04	$15,217.39	$22,826.09	$45,652.17	
Production cost	$2,300.00	$2,300.00	$2,300.00	$2,300.00	$2,300.00	
Royalties	$760.87	$1,141.30	$1,521.74	$2,282.61	$4,565.22	
Distribution	$2,282.61	$3,423.91	$4,565.22	$6,847.83	$13,695.65	
TOTAL COST/PROFIT	$2,265.22	$4,547.83	$6,830.43	$11,395.65	$25,091.30	

Costs for NZ publishers

<u>But where does the money go? A word on revenue payments.</u>

It's impossible to exaggerate how complicated are the metrics by which the various platforms remit money to authors/publishers. There are countless articles and videos dedicated to parsing this issue online and readers of this report are welcome to get lost in them. The important things to understand are:

- Revenues paid to publishers by retailers will seem shockingly low to print-accustomed publishers (65%-75% discount). as an equivalent to our traditional retailer-discount-off-RRP model is a safe costing assumption, particularly in an Audible-dominated market)
- These revenues vary wildly between platforms.
- These revenues vary wildly within an individual platform depending on numerous factors.
- Stated 'author/publisher royalty' rates can be deceptively high, as they are a) net of the retailer 'discount' and b) primarily for one-off/a-la-carte/full-price purchases, rather than audiobooks bought using membership credits, which are paid out at a much lower rate and which are a very significant percentage of overall purchases, and rather than discounted titles.
- On some platforms, readers can and do 'return' books under changing terms for a refund/partial refund/fresh credit.
- On Audible, pricing is out of the hands of authors/publishers and discounting is common.

Pricing the options

Based on a 75,000-word narrative fiction or non-fiction book (7.5 listening hours = approximately 7.5/8 x 4-hour half-days in the studio), NZ publishers can reasonably expect to pay as follows. (Scale +/- for smaller or much larger books – e.g., half for a children's book; double for a big 100,000-word history book.):

Item	Estimated cost range in NZD	Cost basis
Narration by author (NZ)	$0-$5,000	Flat rate, depends on the author and their usual talent rate.
Narration by celebrity (NZ)	$5,000-$15,000	Flat rate
Narration by professional (non-celebrity) voice talent (NZ)	$1,875-$3,750	Flat rate based on $250-$500 per finished hour
Narration by platform-specific narrator (e.g., Findaway)	$3,000-$4,000	USD $250 per finished hour
AI narration by e.g., DeepZen or Speechki	$1,500-$2,000	GBP£99 per finished hour plus one-off setup fee
AI narration by e.g., DeepZen **PLUS distribution/distribution support**	$1,750-$2,250	As above plus distribution consisting of setup fee (£49) plus annual fee (£19.99)
Professional NZ studio time including production management and audio engineering and full, corrected audiobook file delivery but <u>excluding</u> narrator costs.	$3,750-$7,500	NZD $500-$1,000 per finished hour
Professional studio time <u>including (non-celebrity) narration costs</u>, production management and audio engineering and full, corrected audiobook file delivery **PLUS distribution/distribution support**.	$6,000-$7500	Flat fee.
Freelance producer/narrator including production management and audio engineering, full audiobook delivery.	$2,250-$5,625	NZD $300-$750 per finished hour

Cover design	$100-$500	Freelance rates, based on physical book cover
Production management (non-technical, e.g., by an editorial assistant)	$1,000-$2,000	$25-$50 per hour x 30 hours in the studio plus 10 hours coordination, travel, etc.
QA/audio proofreading (non-technical, e.g., by an editorial assistant)	$275-$575	$25-$50 per hour x 7.5 finished hours in full x 1.5 times listening
File management/upload (non-technical, e.g., by an editorial assistant)	$275-$575	$25-$50 per hour x 7.5 finished hours in full x 1.5 times listening
Software setup (e.g., Audacity or Adobe Audition)	c$1,000	License cost
Studio setup: USB condenser-style microphone	$175-$250	Based on RODE NT-USB Mics (as used by/sent to PRH authors)
Studio setup: Portable small sound booth	$25-$1500	DIY build or buy, various options
Distribution/distribution support via e.g., Ingram Core Source	c$1,000	License cost
Buying-back files (e.g., from a previous publishing partner)	$1,125-$1,875	Based on a fee of NZD $150-$250 per recorded hour
Publishing with Bolinda AU	Covered by Bolinda	N/A
Publishing with RNZ (formerly Radio New Zealand	Varies. Has a variety of suggested models for audiobook adaptation and production.	Varies

Comparison table: production and distribution options

Our late-entrant status means New Zealand publishers, authors and producers can – and should – take advantage of both well-established current and viable near-future options for the production of audiobooks here. In summary.:

Option	Availability	Includes	Quality	Hassle factor/ handling / editorial load	Cost	Pros	Cons
License audiobook publishing out to a third-party publisher	Yes	Everything	High	Low	$	Professional Easy Good distribution especially libraries, education Fair NZ voice talent options	Poor publisher choice Long licenses Risk of IP loss Can be exclusive. Decreasingly common as sole/exclusive solution
Full-stack in-studio commercial production	Widely available	Recording File preparation Can include music licensing.	High	Medium	$$$$	High level of professionalism High spec	In most cases still requires publisher to cast, coordinate, project manage, proof, take in changes, oversee recording/author care plus distribution/upload and admin.

Independent NZ producer/ operator	Widely available	Recording File preparation Can include recruiting/ managing voice talent, self-voicing, or recording authors-as-narrators in-studio. Can include music licensing	Medium-High	Medium	$$$	Often very experienced producers and ex-public radio/television people with great narrator connections who really 'get' voice. Excellent NZ and Māori talent options	In most cases still requires publisher to project manage, proof, take in changes, plus distribution/upload and admin. Can be heavy on the comms.
DIY/at-home recording (See 'DIY Requirements' on p.25-26 for a detailed breakdown of steps and equipment needed)	Ubiquitous	Just the voice recording Some narrator/ producers offer file prep.	Variable	High	$	Cheap Easy Can be successful with experienced voice talent	Error-prone Fatiguing (can extend to many rounds) In all cases still requires publisher to project manage, proof, take in changes, etc.
Human-voiced narration/ production/ distribution on behalf; outsourced and brokered	Widely available, many options	Casting or author care Recording File prep Music licensing Project management Proofing Taking in changes Distribution/ support	Medium-High	Low	$$$	Expert and publisher focused. Cheaper than professional studios. Whole process covered; doesn't tie up busy editorial staff.	Less flexible and more expensive for publishers who want to self-record. Less flexible and more expensive for publishers who want to try digital/platform-direct/AI options.

		Upload File management.				Excellent NZ and Māori talent options available.	
AI-voiced narration; outsourced and brokered E.g. DeepZen, Speechki	Increasingly available	Casting and 'recording' (automatic creation) File prep Proofing Taking in changes For DeepZen Distribution/ support Upload File management.	Medium - High	Low	$$$	Expert and publisher-focused. Exceptionally fast. Cheaper than human voice options. Whole process covered in some cases (DeepZen); doesn't tie up busy editorial staff.	No viable NZ accent or te reo Māori voices avail.
AI/auto-narration, in-platform or bespoke E.g. Google, Apple	Increasingly available	Casting and 'recording' (automatic creation) File preparation Proofing (self-drive) Taking in changes Automatic distribution/ upload File management.	Low-Medium	Medium	Free	Exceptionally fast. Cheap. Whole process covered.	Self-drive = time consuming and may be fiddly for some. Lower quality/more limited robot voices than e.g., Speechki or DeepZen. No viable NZ accent or te reo Māori voices available.

In Conclusion

The rapidly changing market and our late-entrant status present opportunities for innovative publishers.

It is clear from verbatim interviews for this report that New Zealand publishers of all sizes feel painfully unable to create and publish audiobooks in any meaningful numbers because of cost and resourcing restrictions. The demand for NZ audiobooks is going unmet, with the number of available audio titles a fraction of available ebooks and print formats. Backlist titles that are proven to succeed are likely to be significant in redressing this backlog and growing both readership and total market.

New Zealand publishers want to work flexibly depending on the needs of each audiobook/author/project, and to take advantage of both well-established current and viable near-future options, including AI, and a variety of partners and studios, for the production of audiobooks.

Despite staffing/resourcing constraints, much audiobook production work is fundamentally non-specialised and akin to basic – and affordable – editorial/book production skills. These tasks are increasingly widely performed by editorial staff to make audiobooks across the industry internationally and align with print and ebook workflows. NZ publishers have the potential to production-manage audiobooks, in-house or freelance, at basic editorial rates, and to develop practical knowledge and capability, sustainably, in this way.

Wide and non-exclusive distribution is desirable for New Zealand publishers, across retail, library/reference, education and (now, thanks to Libro, from July 2023) bricks-and-mortar channels, for accessibility, to help reach non-traditional book readers and grow audiences, and future-proof NZ audio-publishing at a time of rapid development and change through maximum flexibility.

Obviously, a huge barrier to the AI options in this report is the complete absence of available NZ accents and basic te reo Māori vocab in voice AI. However, these are expected to become the norm sooner rather than later in all genres. The piracy, IP and sovereignty issues all these opportunities present, not least for te reo Māori and Māori knowledge, are not to be underestimated and need careful consideration.

It is not recommended that publishers enter into audio licensing or publishing agreements with any media platform without first seeking contractual/IP advice.