

Audiblegate: where we're at and where we're going! by Susan May

When an author enters the independent publishing world, one of the most important pieces of advice shared with them is to *calculate your return-on-investment (R.O.I.)*. If you don't advertise, the calculation is a simple, how many books do you need to sell to repay editing and book cover costs? If you dive into audiobooks, well, that number of books jumps because of high production costs. This again should be straightforward. Your costs plus marketing divided by the profit paid per book by the retail platform.

What happens though when the *profit paid* value of your audiobook sale is incorrect or hidden beneath *net* sales?

You might decide to create an audiobook which could take much longer to pay you back, and that's if you ever recoup your investment. Had you known the true payment calculations you may not have traveled the audiobook path. Another issue if you are a marketer is you may cancel advertising after a time because the R.O.I. tells you it's not worth it. This then becomes lost potential when we base our formula on incorrect assumptions. The low R.O.I. might even cause you to give up publishing or affect your enthusiasm for writing.

SO MUCH LOST

Many authors, and I include myself, have felt this loss of passion. I'd created more books over the years, including expensive Audibles, but my income stagnated, while my gut told me it should increase with my marketing and growing reader base. My life experience had been decades of successful marketing and business in many industries, so I have a feel for business numbers.

I had kept extensive data on sales income and advertising expenses, and despite producing high-quality audiobooks with award-winning narrators (based on reviews and star ratings), I was heading backward. Something was wrong, and I couldn't explain what. One avenue I'd explored was spending extra time and money on promoting audiobooks because it made sense with less competition and a growing market.

Business depressed but determined is what I'd call my attitude since 2019. I kept looking for answers as, unbeknown to me, had others. The answer lay in front of us in our reports, just well-hidden and so egregious you'd never consider it a reasonable answer.

If in secret, someone siphons away twenty, fifty, even sixty percent of sales from beneath your nose, what then? A financial disaster on so many levels. This idea hadn't factored into our calculations until recent months because we must trust our sales platform partners, Amazon and ACX/Audible. We must trust them because they are too big to question. They have failsafe technology, right?

WHY SO OPAQUE, AUDIBLE?

An urban myth exists that talks of Amazon hiring the best data scientists in the world. The [Amazon Science-Customer Obsessed Science](#) page brims with advancements in machine learning, search and information retrieval, knowledge management, computer vision and even quantum technologies. All this brainpower and advancements to support and further Amazon's passion for customer service; customers, they say, which includes their business partner sellers, which means authors too.

These are lofty commitments indeed, unless it comes to Amazon's passion for Audible's business partners, where they can't spare a scientist or even an intern to do basic data reporting. Nobody for

close on seven years could create an *extra column* in the ACX income sales reports to allow authors to know how many of our books are returned. An oversight possibly, except in October 2020 when Audiblegate became a thing and authors asked for their returns data. Audible claimed it was too hard, the resources needed too few and the costs too high.

We wonder why because those excuses appear laughable based on the evidence.

The answer may lie in the obvious. Audible created a profitable and competitor-proof business by offering an *Easy Exchange Member Benefit* which allowed returns for which they don't pay. Only one barrier to this plan's success: authors would notice a high percentage of returns in their reports. Hide the returns beneath sales though and call them *net sales*, and problem solved. You don't need a quantum computer to highlight a genius profit plan and a perfect way to habituate members into continuing their monthly subscription.

Easy Exchange equals Easy Profit.

This great plan worked well for Audible/ACX until their glitch occurred in October, which saw three weeks of returns clawed back in one day. Thus, began the scandal that just won't die no matter how hard Audible slaps at it. Haven't heard of [Audiblegate](#)? Prepare yourself for a nasty surprise.

Things weren't so great for authors when they understood what the *net sales* hid. When authors asked for their returns data, to add insult to injury, ACX denied the requests again and again and again.

Though isolated by the solitary nature of our business, authors for the first time united against an Amazon company in joining an already-existing, small [Facebook group: Fair Deal for Rights Holders and Narrators](#) (FDRHN). Within weeks, the small band grew to thousands of tenacious, outraged authors, narrators and rights holders.

I didn't set out to lead a group of authors. Keep my head down, write my books and live my life, that's been my thing. As I've said, though, to those brave others who are working behind the scenes, you don't drive past an accident and not stop to help when you have medical training. So, our Brain trust, as I call them, will be there fighting alongside Alliance of Independent Authors and our colleagues in FDRHN until we triumph.

OUR EARLY WINS IGNORE KEY DEMANDS

We've had quick wins. News of these arriving via emails from ACX or through [their blog](#) addressing the aggrieved author community as "valued writers and ACX partners." We're *valuable* to them, no argument there, but valued?

Hmm, that's a stretch based on their opaque replies to our concerns and piecemeal concessions. Oh, and there was a canceled January 20 meeting between ALLI, two major author organizations, and Audible's CEO Bob Carrigan. They didn't appear to enjoy [the truth being shared](#) on their behind-closed-doors response to our outrage. We weren't too valued then, either.

Instead, of a meeting, in haste Audible slapped together [a release advising authors they were no longer tied to a seven-year contract](#), and from February 1, 2021, rights holders could move their books wide or even remove their listing for sale from the Audible platform after ninety days had elapsed since publication.

This is a welcome change and big news. Mention of authors' original key demands, though, glaring in their absence. If we were cynics, one could believe this was a bone thrown so the trouble-making rights holders might pick it up, pad off somewhere and stop asking tricky questions.

One thing we've learned in the past few months is that when authors stand together, we are a force. Hard work and a unified stance, with the support of ALLI, has seen our small group cause Audible to concede to limit returns authors cover to seven days, while they continue their 365-day guarantee, and abolishing the seven-year contract. Oh, yes, and there was a 5% increase in December payments to say they were sorry, but we won't mention that because 5% of nothing won't buy you a coffee.

THE BATTLE CONTINUES

We march on with much vigor because when a company as big as Audible scrambles to offer little nuggets, we wonder what precious secrets lie hidden in those vaults? We won't stop until we discover the truth and unshackle ourselves from their unfair practices. There's another Audiblegate revelation: we can't trust these guys anymore.

I've been publishing since early 2013 and lived through the evolution of self-publishing. I look at many independent publishers today, myself included, and realize we've become a perfect example of the *Boiling Frog* syndrome. We need to climb out of this pot because it's unhealthy for our business. Many of us gave up a degree of our independence for a comfy all-your-eggs-data-in-one-basket space. You shouldn't stay when a company makes it part of their business plan to steal your eggs from beneath you.

What does the future hold for our *War of Words* with Audible?

We continue our fight with renewed vigor for these key issues and a few adjuncts we've come across after digging deeper into Audible's practices. If Audible's listening, as they ad nauseam claim to be, hey, Bob Carrigan, we won't be stopping until you:

- Supply returns data prior to 1st Jan 2021.
- Pay losses on these returns, which fall outside the terms of authors' contracts.
- Make books non-returnable after 25% listened.

We've also added two more goals:

- Climb out of the pot and find a better home—an answer to this coming soon.
- Educate our community on contracts and reading payment statements.

Knowledge is power

So, a small group of us have done the research and we'll soon release regular mini easy-to-understand posts. With everything you know about Audiblegate, there's still much more to learn.

In the coming weeks, accountant [Colleen Cross](#), author of [Anatomy of a Ponzi: Scams Past and Present](#), and novels starring a [corporate fraud investigator](#), will lead us through eye-opening essays on Audible/ACX practices and formulas.

Did you know, for instance, the real percentage split of payment on sales is not 40/25%? Don't think you're not affected if you distribute through aggregators such as Findaway or license your I.P. to publishers of the likes of Tantor. There's sneaky, obscure math happening behind the reports we've missed, but we'll use this new knowledge to give us the courage to climb out of the pot.

The Audiblegate revelations leave us asking questions which sometimes sound closer to conspiracy theories unless you study the facts. It makes me wonder what those data scientists Amazon employs

really do with their time? Could be they search for new and more obscure ways to cut percentages out of rights holders' earnings.

Even if you don't hear of Audiblegate every week, just know the campaign continues. To dig a tunnel to escape a prison takes time, along with grit and a helluva lot of work. We can't afford to lose, not for us indies who've taken our writing destiny into our own hands, and not for those authors who will join us in the future.

The fight continues. Grab your pitchforks and outrage, we're storming those gates.

SUSAN MAY BIO

Susan May has been an author of dark thrillers for over a decade. In 2020, she paused her writing career to create a horror story for Audible which she titled Audiblegate. She promises that in the end the good guys will triumph. You can learn more about Susan May at www.susanmaywriter.net