

New Amazon KU/KOLL Royalty: Will you win or lose?

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Kindle Edition Normalized Page Count	OLD SYSTEM Royalty per Borrow/KU Book (at least 10% read)	NEW SYSTEM					
		Best Case			More likely case		
		Royalty per Borrow/KU Book	Gain/Loss vs Old System	Assumed share of pages read (diminishing with book length)	Royalty per Borrow/KU Book	Gain/Loss vs Old System	Average Word Count
10	Ca. \$1.35	\$0.06	-96%	95%	\$0.06	-96%	1,720
50		\$0.29	-79%	92%	\$0.27	-80%	8,600
100		\$0.58	-57%	90%	\$0.52	-62%	17,200
150		\$0.87	-36%	87%	\$0.75	-44%	26,000
200		\$1.16	-14%	84%	\$0.97	-28%	34,000
250		\$1.45	7%	81%	\$1.18	-13%	43,000
300		\$1.74	29%	79%	\$1.37	1%	52,000
350		\$2.03	50%	76%	\$1.54	14%	60,000
400		\$2.32	72%	73%	\$1.69	25%	69,000
450		\$2.61	93%	70%	\$1.83	36%	77,000
500		\$2.90	115%	68%	\$1.96	45%	86,000
550		\$3.19	136%	65%	\$2.07	53%	95,000
600		\$3.48	158%	62%	\$2.16	60%	103,000
650		\$3.77	179%	59%	\$2.23	65%	112,000
700		\$4.06	201%	57%	\$2.29	70%	120,000
750		\$4.35	222%	54%	\$2.34	73%	129,000
800		\$4.64	244%	51%	\$2.37	75%	138,000
850		\$4.93	265%	48%	\$2.38	76%	146,000
900		\$5.22	287%	46%	\$2.38	76%	155,000
950		\$5.51	308%	43%	\$2.36	74%	163,000
1000	\$5.80	330%	40%	\$2.32	72%	172,000	

- Assumptions**
- Words per KENPC: 172 based on 37 book data points from different authors
 - Old \$1.35 per borrow
 - New \$0.0058 per KENP based on Amazon's announcement
 - Percentage of book that gets actually read by customer diminishes with increasing book length...
 - ... down to as much 40% for 1000 KENPC (value set arbitrarily to show the sensitivity to reader behaviour)