

**Kindle Triangulation Bonus:  
KDP Select Explained**

There is a lot of confusion about Amazon's KDP Select program. So I wanted to write this report to explain exactly what it is, the pros, the cons and how you can use it.

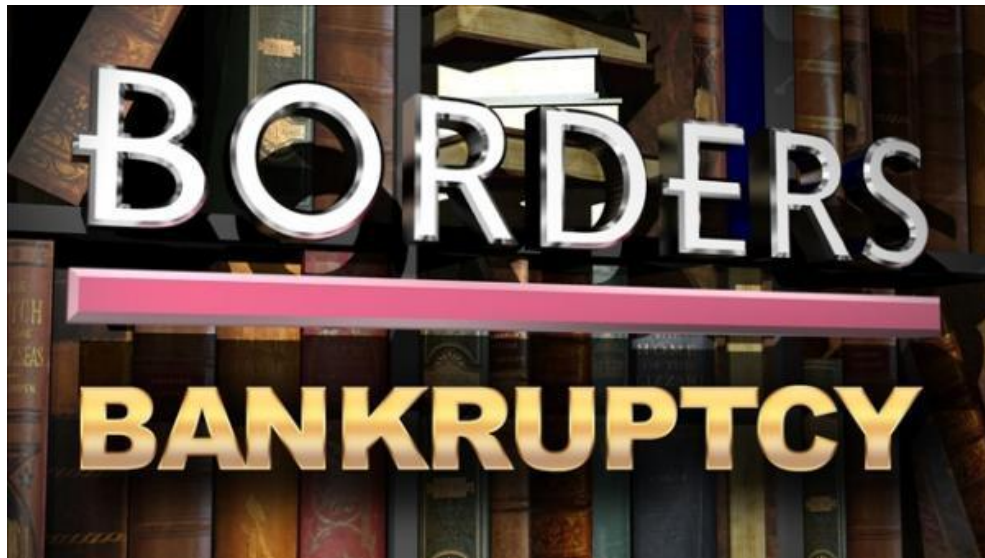


Before I can explain KDP Select I have to explain Amazon Prime because the two programs are linked:

Amazon Prime is a \$79 a year membership program which gives members free two-day shipping on all products plus some other perks which we'll talk about in a minute.

This is an extremely popular program with a lot of members. People who are members love it. I don't think I've ever heard a complaint about Amazon Prime but I hear people raving about it all the time. I have no idea how many members there are but I'm guessing it's substantial.

Amazon Prime is one of Amazon's tactics to own the market and slowly bleed their competitors to death. And it seems to be working.



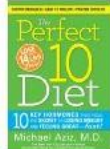
Love Amazon or hate them, you have to admit they're doing a lot of stuff right.

Which brings us back to Amazon Prime. Amazon is constantly looking for ways to make Amazon Prime more enticing (*can you say piling on the benefits?*)

A few months ago they added free streaming movies and TV Shows for Prime Members to enjoy. (that was the straw that got me to sign up ☺ )

Then, just a few weeks ago they added a lending library of eBooks Amazon Prime members can borrow.

Here's what a listing for an eBook from the Amazon Prime lending library looks like:


7.  **The South Beach Diet Supercharged** by Arthur Agatston MD and PhD Joseph Signorile  
(Kindle Edition - Apr 28, 2008) - **Kindle eBook**  
**Prime members: \$0.00**  (read for free, Join Amazon Prime)  
Buy: \$4.99  
Auto-delivered wirelessly  
★★★★☆ (230)
8.  **Perfect 10 Diet: 10 Key Hormones That Hold the Secret to Losing Weight and Feeling Great-Fast!** by Michael Aziz (Kindle Edition - Jan 1, 2010) - **Kindle eBook**  
Buy: \$1.99  
Auto-delivered wirelessly  
★★★★☆ (113)

If you click the book to go to the details page this is what you see:

## The South Beach Diet Supercharged [Kindle Edition]

Arthur Agatston MD (Author), PhD Joseph Signorile (Author)

★★★★☆ (230 customer reviews) |  Like (2)


Digital List Price: ~~\$7.99~~ What's this? 

Print List Price: ~~\$7.99~~

Prime Members: **\$0.00** (read for free) 

Kindle Purchase Price: \$4.99

When Purchased, You Save: **\$3.00 (38%)**

- Includes free wireless delivery via **Amazon Whispernet**
- Length: 354 pages 



### For Kindle Device Owners

Borrow this book for free, with no due dates, if you are a Kindle owner and Prime member. If you don't own a Kindle, [get yours today](#). If you're not a Prime member, [start your one month free trial today](#). You can borrow this book from your Kindle device.

With Prime, Kindle owners can choose from thousands of books to borrow for free — including over 100 current and former New York Times Bestsellers — as frequently as a book a month, with no due dates. [Learn more about Kindle Owners' Lending Library](#).

I've circled in red the Prime information. Note that you're only allowed to borrow one eBook per month.

This is where KDP Select comes in.

KDP Select allows you to add your Kindle eBooks to the lending library for Amazon Prime members.

So, if the eBooks are free how do you get paid? Amazon sets aside a special fund every month for the lending library. This fund is divided between all participants in the KDP Select program depending on how many times their eBooks are loaned.

The KDP Select fund for December 2011 was \$500,000 and January 2012 is \$700,000.

Here's how this played out for December 2011:

In December the total borrows of all participating KDP titles was 295,000. If your eBooks were borrowed 2950 times you earned 1% ( $2,950/295,000 = 1.0\%$ ) of the total fund. 1% of \$500,000 is \$5000.

To think of it another way, you earned \$1.69 per borrow ( $\$5000/2950$ ). Not bad. Especially if your eBooks are listed at less than \$2.99. You'll earn more money from the borrowed eBook than the ones you're selling.

Think about it: At \$2.99 you earn 70% or \$2.09. But at \$2.98 you only earn \$1.04 because your royalty is only 35%. If you're selling eBooks at 99 cents you're only making 34.6 cents.

So, for your lower priced eBooks loaning is much more profitable.

The downside to KDP Select is you must give Amazon an exclusive on your eBook for 90 days. It will still show in the Kindle Marketplace and will still sell from there as usual. But you can't publish on Pubit or any other digital marketplace. However, you can still publish your book in physical format — such as with CreateSpace.

Another MAJOR benefit as we've already looked at in the main course is you can feature your Kindle eBook for free for up to 5 days if you are a participant in KDP Select.

Now, here's a good question:

Does having your eBook listed in KDP Select Negatively Affect eBook Sales?

Although Amazon Prime is a very popular program most people who shop on Amazon are not Amazon Prime members. So they see that some people get the eBook for free while they have to pay. Does this negatively affect their decision to purchase?

I was very concerned about this at first but after looking at my numbers in December it doesn't seem to have affected my sales at all. I started testing KDP Select in mid December with a select number of eBooks and I tracked my sales daily. My sales for the eBooks enrolled in KDP Select actually increased as compared to the sales for eBooks not enrolled.

One reason for this is when you enroll an eBook into KDP Select it seems to get a rankings boost! I'm not sure why this but it was especially noticeable on eBooks that had

poor rankings. (by rankings, I mean position in the search results and not the Best Seller Ranking)

Unless you have eBooks that are selling well on the Nook or other platforms I would strongly advise you to start testing out KDP Select. You may just make more money loaning eBooks then you do selling them.

One other thing: If you have eBooks that are priced below \$2.99 and they are selling poorly try raising their price to \$9.99 and enrolling them in KDP Select. Why? Because if you're going to borrow an eBook and you CAN ONLY BORROW ONE PER MONTH wouldn't you rather borrow a higher priced one?

Couldn't hurt, now could it? Just don't try this with crappy content or PLR.

Good luck and let me know how you do with KDP Select!

James J. Jones  
January 23, 2012