# You Are the Product: Amazon in the Publishing Industry

# Thomas Blennerhassett, MSc, MI

Michener Institute of Health Education at UHN

### Introduction

The intent of this paper is to expand upon the work of Squires and Murray by interrogating how and why Amazon has embedded itself in the publishing industry.

Amazon has aggressively moved into the publishing, purchasing and book reviewing sectors. Simultaneously they have begun agglomerating user data about the practices and discourses of consumers and publishers.

Amazon has grown so large and embedded within the publishing economy that Murray and Squire's model needs to be completely reworked, with Amazon as a digital platform situated at the epicenter of an increasingly dependent web of actors. This is demonstrated through a graphic depiction of Amazon-owned products related to its publishing wing.

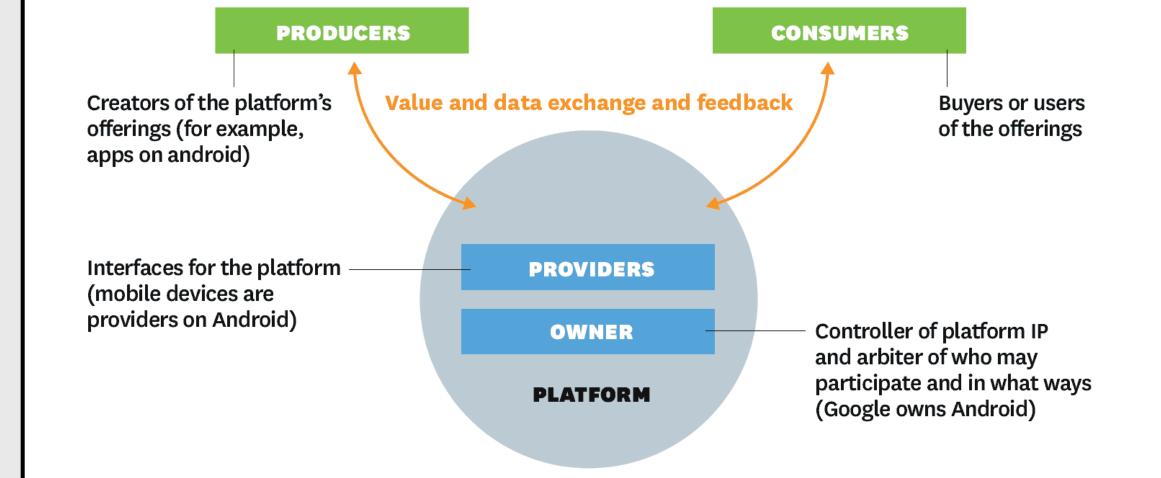
The entire publishing industry is now forced to work with Amazon in some manner, as either a marketer, distributor, advertiser, manufacturer or some combination of those roles, making Amazon the primary intermediary between customers and written works.

#### Discussion

What is an online platform? How do they work?

#### The Players in a Platform Ecosystem

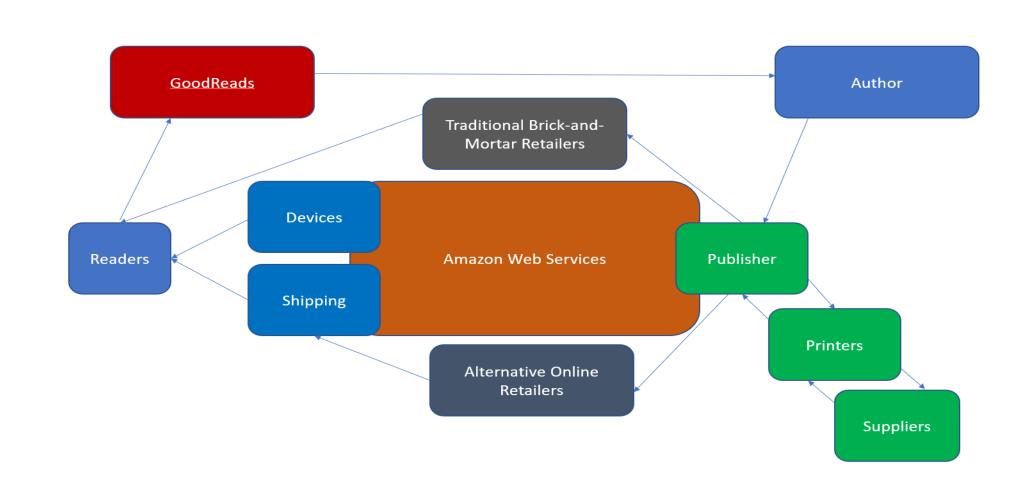
A platform provides the infrastructure and rules for a marketplace that brings together producers and consumers. The players in the ecosystem fill four main roles but may shift rapidly from one role to another. Understanding the relationships both within and outside the ecosystem is central to platform strategy.



#### **Source** Marshall et al. 2016

Online platforms provide a place for data and services to be exchanged. They record these exchanges along with all user data and sell that information to third parties. This is their revenue model.

What does an amazon centric publishing model look like?



Tomorrow may see Amazon or AWS change in fundamental ways, or even the appearance of a new player, which then requires this design to be altered. Understanding the publishing ecosystem in this regard is in many ways a Sisyphean task, never meant to be finished or completed but constantly in a state of semi-comprehension. This project hopefully offers a useful heuristic device.

## **Key Points**

- Amazon is building an online publishing ecosystem that is expanding
- The goal of this is to gain a large market share and then to monetize user data
- User data and advertising is becoming a large part of Amazon's revenue

## Conclusions

Information professionals need to be aware that the web 2.0 landscape is shifting rapidly in favor of large platform ecosystems. Understanding how these systems impact us and how they utilize our data for profit will be a key issue in the future that we need to be prepared to help our stakeholders understand.

## Literature Cited

Baldwin, Carliss Y., C. Jason Woodard, and Others. "The Architecture of Platforms: A Unified View." Platforms, Markets and Innovation 32 (2009). Danziger, Pamela. "Amazon's Under the Radar Advertising Strategy to Control 5% of Global Retail, Forbes September 2, 2018

Darnton, Robert. The Kiss of Lamourette: Reflections in Cultural History. WW Norton & Company, 1990. Day, Matt and Jackie Gu. "The Enormous Numbers Behind Amazon's Market Reach" Bloomberg, March 27th 2019

Dealh, Rachel and Jim Milliot. "Amazon Buys Goodreads" Publishers Weekly, March 28th 2013 Frost, Natasha. "Book Sales Are up This Year over Last Year, and Physical Books Are Thriving." Quartz. Quartz, December 28, 2018. https://qz.com/1510303/book-sales/. Fussell, Sidney. "What Amazon Thinks You're Worth." The Atlantic, July 18, 2019. https://www.theatlantic.com/technology/archive/2019/07/amazon-pays-users-access-browser-data/594199/.

Hagiu, Andrei. "Two-Sided Platforms: Product Variety and Pricing Structures." Journal of Economics & Management Strategy 18, no. 4 (2009): 1011-43. Hoffmann, Anna Lauren, Nicholas Proferes, and Michael Zimmer. "Making the World More Open and Connected': Mark Zuckerberg and the Discursive Construction of Facebook and Its Users." New Media & Society 20, no. 1 (January 1, 2018): 199–218. https://doi.org/10.1177/1461444816660784. Kollewe, Julia and Rupert Neate. "Royal Mail Says Amazon Delivery Service Will Hit Its UK Parcels Business" The Guardian November 19, 2014

Lohr, Steve. "How Big Data Became So Big - Unboxed." The New York Times, August 11, 2012. https://www.nytimes.com/2012/08/12/business/how-big-data-became-so-big-unboxed.html. Lunden, Ingrid. "Amazon's Share of the US e-commerce Market is now 49%, or 5% of all Retail Spend" TechCrunch January 2018

Martineau, Paris and Louise Matsakis. "Why It's Hard to Escape Amazon's Long Reach" Wired December 23, 2018 Milliot, Jim. "BEA 2014: Can Anyone Compete with Amazon?" Publishers Weekly, May 28th 2014 Murugesan, San. "Understanding Web 2.0." IT Professional Magazine 9, no. 4 (2007): 34.

Murray, Padmini Ray, and Claire Squires. "The Digital Publishing Communications Circuit." Book 2.0 3, no. 1 (June 1, 2013): 3–23. Nieborg, David B., and Anne Helmond. "The Political Economy of Facebook's Platformization in the Mobile Ecosystem: Facebook Messenger as a Platform Instance." Media Culture & Society 41, no. 2 (March 2019): 196–218. https://doi.org/10.1177/0163443718818384. Novet, Jordan. "Amazon Says AWS Revenue Jumped 46 Percent in Third Quarter" CNBC October 25, 2018

Srnicek, Nick. "The Challenges of Platform Capitalism: Understanding the Logic of a New Business Model." Juncture 23, no. 4 (March 23, 2017): 254–57. https://doi.org/10.1111/newe.12023. Trachtenberg, Jeffrey. "They Own the System: Amazon Rewrites Book Industry by Marching into Publishing" The Wall Street Journal January 16, 2019

## Acknowledgements

I'd like to thank the Michener Institute and David Neiborg, Sarah Lubelski and Leslie Shade for their advice when I was originally conceptualizing this project.