



VOL. 02 · PAPER 04 · CASE STUDY

# The Cellar *Model.*

*The patron-funded publishing model documented. 2,418 active patrons funded six titles, paid out \$1.4M in patron revenue, recovered three advances on patron revenue alone — the first time, by our research, that this has happened in modern publishing.*

CASE STUDY

2,418 PATRONS

#### ABSTRACT. CASE STUDY · HARD SHIVER RESEARCH

The Cellar — Hard Shiver's patron membership — was founded September 2023. By Q4 2025 it reached 2,418 active patrons, \$1.4M annual revenue, and 96% annual retention. The Cellar funded six titles in active development; three of the six recovered their advance to authors through Cellar revenue alone — the first time in modern publishing, by our research, that reader patronage has paid for the advance without publisher capital fronting. We publish the unit economics, the retention drivers, and the structural lessons for serious independent publishing.

#### § I · THE THESIS

## Reader as patron, not customer.

The Cellar treats serious readers as patrons rather than retail customers. The thesis is simple: the people who most want a particular book to exist are the people most willing to fund it, in advance of publication, in exchange for early access and shared upside. This was the publishing model that funded most of the great independent presses of the 20th century before retail consolidation made it impossible. We argue, on the basis of three years of operation, that it has become possible again.

#### § II · THE TIER STRUCTURE

## What patrons pay and receive.

TIER	PRICE	WHAT PATRONS RECEIVE	IP SHARE
Reader	\$48 / yr	One hardcover per year + audio + early access	—
Patron	\$240 / yr	Every title (hardcover + ebook + audio) + in-development access + author conversations	5% residual
Founder	\$1,800 / yr	All of the above + one commissioned brief per year + in-person gatherings + first-look IP option	15% residual

#### § III · THE UNIT ECONOMICS

# How the math works.

FIGURE 1 · CELLAR PATRON COMPOSITION · Q4 2025

Patron tier is the dominant economic unit



SOURCE: HARD SHIVER CELLAR INTERNAL DATA · Q4 2025.

The Patron tier accounts for 56% of members and 64% of revenue — the economic engine. The Reader tier is the entry point; we see meaningful upgrade flow from Reader to Patron after 6–9 months. The Founder tier is small but disproportionately impactful — both because of revenue contribution and because the commissioned briefs have produced two of our most distinctive recent acquisitions.

## § IV · THE BREAKTHROUGH FINDING

# Advance recovery on patron revenue alone.

Of the six titles The Cellar has funded:

- **Three titles** recovered their advance to authors through Cellar revenue alone — within 14 months of acquisition.
- **Two titles** are on track to recover within 18 months.
- **One title** is on a longer recovery trajectory due to a delayed manuscript.

This is the breakthrough finding of this paper. The traditional model requires publisher capital to front the advance and recover it against book sales. **The Cellar model fronts patron capital and recovers it against patron commitment** — which is paid before publication and continues after. We have not encountered, in our research, a documented case of patron-funded recovery of an author advance in modern publishing before 2024.

*"The funding question in publishing has been: how does the publisher front capital for the book? The Cellar reframes it: the readers who most want the book can fund it themselves, ahead of time."*

— HARD SHIVER VOL. 02 · PAPER 04

## § V · RETENTION DRIVERS

# Why patrons stay.

We surveyed the 96% of patrons who renewed at the end of year one (n=412). The four most-cited drivers:

- **The books themselves (84%).** The patron tier delivers ~\$280 of retail value at \$240; the math works at the artifact level alone.
- **The community (62%).** Patrons described the quarterly conversations and the in-development reading as "the literary equivalent of being inside the writers' room."
- **The IP share (44%).** The IP residual is not large for most patrons in year one, but the fact of it changes the relationship from customer to partner.
- **The voting rights (38%).** Patron tier votes on the next acquisitions read — and the votes have meaningfully influenced two of our recent acquisitions.

### FOR OTHER PUBLISHERS · A TEMPLATE

The Cellar model is *replicable*.

We publish the unit economics, the tier structure, the IP residual mechanics, and the operating overhead in this paper precisely because we want other serious independent publishers to be able to operate this model. **The field benefits from more publishers running it; the field does not benefit from Hard Shiver being the only one.**

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## REFERENCES

1. Hard Shiver Research (2026). *Vol. 02 Cellar internal dataset*. CC BY 4.0.
2. The McSweeney's history (2008). *Annual letter*. Precedent in patron-style publishing.
3. Substack (2023). *Annual creator economy report*. Precedent in patron-funded media.

