

Discussion Document – eBooks and Public Libraries: Discovery Layers and Purchasing Directly from Canadian-based Publishers

Prepared by CULC/CBUC – January 2012

Introduction

It is understood that Canadian publishers wish to have direct access to customers through Canadian public libraries.

It is understood that Canadian public libraries wish to have access to the greatest number of published works in electronic formats.

It is understood that both Canadian publishers and Canadian public libraries benefit from working together to support a strong Canadian publishing industry.

Research demonstrates that publishers and libraries each receive mutual benefit by working more closely together.

A survey conducted in August 2011 by *Library Journal* (LJ) with the help of Bowker PubTrack Consumer found that over half of all library users have purchased books by authors they discovered through their use of public libraries.¹ According to Rebecca Miller, LJ Executive Editor, “This debunks the myth that when a library buys a book the publisher loses future sales. Instead, it confirms that the public library does not only incubate and support literacy, as is well understood in our culture, but it is an active partner with the publishing industry in building the book market, not to mention the burgeoning e-book market.”

Canadian public library websites receive hundreds of millions of views each year and public library readers increasingly use library *discovery layers* to find new reading material. Discovery layers are designed with the customer in mind, using search algorithms akin to those used by Google and using community participation features similar to Amazon.

Use of these discovery layers is extensive. For example, Hamilton, Ontario residents search their library system’s discovery layer and request that more than 1,500,000 items a year be sent to their local branch libraries for them to check out and to use. The Hamilton discovery layer receives more than 5,000 unique visits each day with each person looking at an average of 12 pages during each visit. This dedicated group of return customers borrows and, according to *Library Journal*, buys reading material.

Working with Canadian libraries, publishers have an opportunity to access a customer base that is loyal and that has a trusted established home (their local library website) that they like to visit.

¹ See Appendix A

The purpose of this brief document is to describe, at the highest level, how eBook content could be incorporated into each public library system's discovery layer. Our goal is to make the experience of finding material easy for customers, profitable for publishers and simple to administer for public library systems. Current systems, which are not a part of a normal public library's discovery layer, require a customer to move from the library's website and to conduct most of each eBook loan transition at a vendor site, using a different (and often inferior) search process and vastly inferior metadata, the cataloguing information attached to each library record.

Forcing customers to separate websites for print and for electronic material creates numerous problems for customers. For example:

- Customers must manage two or more separate "accounts." They cannot even answer a simple question such as, *what do I have out?*, without checking multiple locations.
- Each new potential vendor added as a service possibility requires yet another account.
- Separate search and discovery systems are confusing and complex to learn.
- Customers may not care if they read a print or an electronic version of an item but must search in separate locations for each format.

The best solution for customers, publishers and libraries is the integration of eBook borrowing transactions into each library's existing discovery layer. The added advantage, in Canada, is that this solution allows libraries to obtain material directly from Canadian-based publishing companies. This would permit three huge advantages to Canadian-based publishing companies and distributors.

1. Canadian libraries would use material obtained through Canadian companies instead of through companies based in other countries, and
2. Canadian-based publishers and distributors could provide material directly to libraries, with no other agency receiving payment for the sale, and
3. Canadian-based publishers and distributors could (subject to negotiation with each library system) open a direct sales channel to customers, remembering that research has determined library customers are their customers, too..

Libraries benefit because they would have more incentive to engage other vendors without fear of making the customer experience more confusing. Publishers benefit because the discovery layer provides the equivalent of the book store display case...but with portals to the depth of their eBook offerings. Through strategic and mutually beneficial pricing models, libraries could offer a publisher's entire catalogue and provide the customer options, including providing the ability for customers to purchase a title found through the discovery layer.

The software necessary to enable a successful partnership between Canada's public libraries and Canadian-based publishers and distributors is not complex but it will require assistance from private sector partners.

For example, public libraries need a content provider who can aggregate eBook material. Libraries need a vendor that, using standards, will work with a range of discovery layer products and will allow for the integration of eBook material.

As agreed in our August meeting, Canadian libraries and publishers find us in a unique situation. While battles and turf wars rage on the larger American stage, we have an opportunity to pilot different solutions, to test and implement models that evidence indicates may work for publishers, libraries and customers.

Topic	What we have	What we need	Benefits
Discovery	<ul style="list-style-type: none"> • Cataloguing information about purchased print, video and music titles are loaded into the library’s discovery layer or catalogue. Depending on the strength of the library system’s catalogue, items are easily discovered. • Lists of titles can be created by the customer or by staff for promotional use and sharing. • Depending on the capabilities of the discovery layer, customers may view reviews, comments, and ratings. They may also add ratings and use other social networking tools within the discovery layer. • In some library systems, eBook holdings are also included in the search results. • When a customer tries to access an eBook from the library’s catalogue or from the vendor’s catalogue, the customer is linked to the vendor’s site (usually <i>OverDrive</i>). At this point, all connection to the library’s catalogue is dropped. • Vendor search engines are poor and lack robust metadata 	<p>Searching and discovery take place on the library’s discovery layer, allowing customers to use a single, sophisticated interface.</p>	<p>Customers Customers would gain access to more material.</p> <p>Customers will have easier access.</p> <p>Customers will have one account.</p> <p>Customers will be able to use sophisticated searching, compiling and recommendation tools.</p> <p>Canadian-based Publishers and Distributors Canadian-based publishers and distributors will be able to supply their material directly to libraries whose websites serve most of their prime customers.</p>
Account Management	<ul style="list-style-type: none"> • On the library’s discovery layer each customer has the ability track personal transactions of library held physical items and, through their accounts can monitor: <ul style="list-style-type: none"> ○ current checkouts and when these items are due; ○ current holds and position in an waiting list; ○ Material recently returned. • eBook checkouts and holds are tracked separately, in the vendor site (usually <i>OverDrive</i>). Customers must leave the library’s discovery layer to access this information. • At least two separate accounts must be managed by each customer, more if multiple vendor products are used. 	<p>Customers will have all account information unified on the library’s site.</p>	<p>Where permission is obtained, publishers will be allowed to promote their material on these websites.</p> <p>Where permission is obtained, publishers will be able to sell eBooks on the library’s website.</p> <p>Libraries Libraries will gain access to more material and will have more ability to control the conditions under which they acquire that</p>

Borrowing	<ul style="list-style-type: none"> All eBook transactions currently take place on the vendor's site (usually <i>OverDrive</i>). Transaction processes are unique to each eBook vendor, creating complexity and confusion for customers. Since there are separate processes, libraries are reluctant to use more than a single eBook vendor. 	<p>Customers will conduct all transactions on the library's site, which will be capable of obtaining eBook material from multiple sources.</p>	<p>material.</p> <p>Libraries will be able to acquire material directly from Canadian-based publishers and distributors.</p> <p>Libraries will be able to simplify their technological infrastructures. Libraries will supply customers with a service that is easier to explain and to justify.</p>
Repository/ Acquisition	<ul style="list-style-type: none"> eBooks must be acquired from the vendor (usually <i>Overdrive</i>) who has acquired rights. Libraries have little or no opportunity to negotiate agreements that meet their specific needs. eBooks are stored on the vendor sites, forcing libraries to obtain material from this location. Local authors and publishers must be directed to an eBook vendor if the library wants to purchase the book, forcing authors/publishers to agree to the vendors' terms 	<p>The library can acquire material directly from any publisher or distributor and can add additional material such as created eBooks from its own local history collections or eBooks created by community members.</p> <p>The library has the opportunity to tailor its agreements, depending on its collection mandate.</p> <p>The repository for acquired material is easily accessible and integrates with the library's discovery layer.</p>	

Appendix A:

Albanese, Andrew, Publishers Weekly, October 28, 2011, Survey Says Library Users Are Your Best Customers

(<http://www.publishersweekly.com/pw/by-topic/industry-news/publishing-and-marketing/article/49316-survey-says-library-users-are-your-best-customers.html>)

By Andrew Albanese In the Internet age, there's been no shortage of talk about the future of libraries, and much speculation about where libraries fit in the increasingly digital-rich media market for American consumers. Now, there is data. This month Library Journal released the first issue of a quarterly publication called Patron Profiles. Based on surveys and data collected from library users across the country, the first issue—on libraries and e-book usage—indicates that libraries are a powerful economic engine for the book business.

“There are a lot of assumptions about what library users do,” said LJ executive editor Rebecca Miller. “We wanted to dispel the assumptions and fill in the gaps in data. We wanted to get a realistic picture of the digital transition, so we thought a national trending survey that reveals the media consumption of library users made great sense.”

The data is being collected with the help of Bowker PubTrack Consumer. The first issue summarizes the findings of an August 2011 survey pinpointing usage patterns of library patrons, with special attention to e-book usage. In all, 3,193 people participated in the initial survey, and that number was screened so that the frequency of “library patronage and book buying behaviors were similar to statistically derived norms,” resulting in a sample of 2,421. Responders were all U.S. residents aged 18 and over.

Miller says LJ editors have been amazed by the strength of the findings so far—including the degree to which libraries are boosting book sales. “Our data show that over 50% of all library users report purchasing books by an author they were introduced to in the library,” Miller noted. “This debunks the myth that when a library buys a book the publisher loses future sales. Instead, it confirms that the public library does not only incubate and support literacy, as is well understood in our culture, but it is an active partner with the publishing industry in building the book market, not to mention the burgeoning e-book market.”

When it comes to e-books, the numbers are especially notable, because only half of the big six currently allow libraries to lend e-books (Simon & Schuster, Hachette, and Macmillan currently do not enable e-book lending). In 2010, Macmillan CEO John Sargent called library e-books “a thorny problem” for publishers. “It’s like Netflix, but you don’t pay for it,” Sargent famously said. “How is that a good model for us?”

According to Patron Profiles, in addition to the billions libraries spend buying books, the data show those books in turn are spurring individual readers to buy more books. “Public libraries collect and serve carefully crafted, patron-focused print and digital collections,” Miller explained. “They add significant value to the content ecosystem as well as being a sustaining sales channel in and of themselves. We can only imagine what the numbers would look like if [S&S, Macmillan, and Hachette] jumped into the e-book mix.”

The LJ data measure a range of library patrons, across all incomes and education levels, but, notably, the study has identified what the editors have dubbed “Power Patrons,” voracious consumers of media who log more than 47 books read per year—as compared to 27 on average read by all survey respondents.

Patron Profiles will trend e-books over the year, with additional focus areas for each release. Next up for the series, in January 2012, is a look at “Mobile Devices, Mobile Content, and Library Apps.” That will be followed in April 2012 with a look at “Library Web Sites and Virtual Services” and in July 2012 a volume on “Media Consumption and Library Use.”

The data should prove to be an invaluable resource for all sectors of the publishing ecosystem. “Publishers now have the first really broad, deep look at what library users do with books and e-books, other media, and—perhaps most importantly—what library users do with their wallets outside of libraries,” Miller said. “If they’ve ever doubted the role of libraries in launching an author, this will set them straight. In turn, librarians get new insight into what their patrons want and need. And they are getting many of their hunches confirmed: that library users are avid readers, listeners, and talkers, and that the library is an important part of a rich ecosystem of cultural exchange that is seamlessly connected to the marketplace.”

For More Information

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