Developments in the Library E-content Marketplace

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n November of 2011, I wrote an article in *Library Technology Reports* about purchasing e-books. In my conclusion, I stated:

> Libraries need to find the content they desire, seek the best price possible, determine sustainable business models, analyze license agreements, and evaluate vendors to effectively purchase e-books. It's a complex labyrinth. But one day, it will be easy.[1]

Here we are, four years later, and we aren't yet ready to press the easy button. Purchasing e-books in many ways has been streamlined, but it still remains a labyrinth of licensing agreements, business models, and prices. Before we take a closer look at the content for this issue of *Library Technology Reports*, let's do a quick review of some of the e-content purchasing innovations and experiments from the last four years.

The push toward easy purchasing of e-content can be seen from many larger aggregators like Over-Drive, 3M, Baker & Taylor, EBSCO, ProQuest, and others. These companies have built sophisticated ordering systems for e-books (and other digital content). Libraries can create profiles, set up alerts, get content recommendations, order, invoice, and download from a single portal in many cases. In some instances, libraries can purchase print and electronic content together, in a single transaction. A specific example is Baker & Taylor's Title Source 360 (TS 360). TS 360 provides integrated collection development across formats, allowing libraries to purchase print and electronic content together.

With all of our efforts to simplify, vendors are still experimenting with business models, price points, and licensing terms. Several international newcomers in the field, like Odilo and Total BooX, have provided some innovative options for libraries not seen from some legacy vendors.

Odilo, out of Madrid, was established in 2011 with the objective of specializing in the e-books and e-content sector.[2] With Odilo, libraries are able to create their own library purchasing centers (where libraries buy direct from publishers or other digital content providers) in addition to purchasing content in the open marketplace offered by Odilo. In this model, libraries can, if desired, negotiate directly with publishers for particular business models and pricing. Libraries in Colorado are experimenting with this model currently.

Another newcomer, Total BooX, from Israel, is behind the pay-as-you-read metered e-book service.[3] This innovative service provides e-books to library patrons with no barriers like holds, due dates, use limits, or expiration of content. Total BooX believes in a "fair-for-all" business model, one that compensates publishers and authors for every reading, empowers libraries to monitor their budgets, and provides all parties with invaluable reading reports. Given the low-barrier, pay-as-you-read (per page) model, I am pleasantly surprised to see the growing list of publishers working with Total BooX.

Even long-standing publishers have experimented with new business models and easier ways to license or purchase digital content. Both Gale and DeGruyter launched patron-driven acquisition models based on content accessed in a particular time period. Whether it was for six months or a year, libraries committed a budgetary amount, and the vendors opened the catalog of content to users. At the end of the time period, the library could determine the content used most heavily and choose to maintain permanent access to only that content. While some of these new models were tried

and failed, this demonstrates that there is still much room for innovation in the digital content world.

Open-access content has taken a huge step forward in the last four years as well. OAPEN, DOAB, SciELO, CLACSO, Unglue.it, and Knowledge Unlatched have all been established or expanded in recent years, hosting a variety of open-access scholarly content, much of it in languages other than English as well. Knowledge Unlatched, an organization committed to a sustainable route to open-access scholarly monographs, was a mere idea back in late 2010 and early 2011.[4] It took intensive effort for Frances Pinter to bring her idea to fruition and she has succeeded. Four years later, KU has launched its second round of open-access monographs for academic libraries. The second pilot nearly doubles the number of titles, publishers, and libraries involved.[5]

University presses have changed as well. In the last four years, a number of university press consortia have formed in an effort to combine resources to reach a greater academic audience. Academic libraries now have a variety of options for licensing e-content through these consortia. In addition to the veteran Oxford Scholarship Online, newcomers University Press Content Consortium and Books at JSTOR host thousands of books from multiple university presses.

Another phenomenon that has developed in the last four years is subscription e-book services. Several services have emerged (and some have already disappeared), but the current front-runners include Kindle Unlimited, Scribd, and Oyster. These services are direct to consumer and contain thousands of titles for a small monthly or annual fee. While these may seem far from the scope of libraries, we need to be aware of the rise of these services and the convenience they provide to users. Users will pay for convenience and access; Netflix is a perfect example of the type of success this model can achieve. And it's no secret that downloading e-content from library vendors can be a complicated process. If users lean toward convenience and access and don't mind a small fee, libraries could lose e-book patrons to subscription services.

Regarding users' access to library e-content, we have made progress in easing this time-consuming process as well. Many vendors have released mobile apps, cloud-based reading, or in-browser reading options for patrons. The release of the new OverDrive mobile app in late 2014 was long-awaited, removing the barrier of Adobe Digital Editions authorization from an extremely complex downloading process.

While we aren't yet at easy, we certainly have many more choices in how we purchase and license e-content, not to mention a host of new vendor options. The number of choices should remain and possibly grow as experimentation continues and innovation leads us to new models, new companies, and perhaps even new formats.

In the spirit of e-book licensing, this issue of *Library Technology Reports* presents an insider's look at the e-content purchasing process among librarians, publishers, and aggregators. The report gathers three articles, originally published in *eContent Quarterly*, one written by a librarian and two by information industry executives. Together, these articles demonstrate the many complexities of purchasing e-content and the concerns of different parties and provide suggestions for how we can work better together. Specific themes emerge with each of the three articles as well: forecasting, negotiating, and collaborating. Let's take a look at each piece in more detail.

"Forecasting Public Library E-content Costs," by Joseph Sanchez. Sanchez opens with a historical look at understanding the e-content market and ecosystem. He recognizes that e-content is still in its early stages of development and, while discussing the implications of the first sale doctrine on digital content (as in, it does not apply), states that librarians exhibit naïveté regarding publishers as partners in the procurement of e-content. He urges librarians to recognize the first-sale doctrine as the foundation of our practice and services, while believing that the balance of power is shifting to the publishers. He states that many librarians are unaware that they license content rather than buy it. Many consumers are similarly unaware, and Sanchez states that this confusion is fueled by digital content sites that feature Buy buttons rather than License buttons.

The primary focus of Sanchez's article, however, is "the pressing question" facing public libraries today: how much content that was previously available in physical form will in the future be available only electronically, when will the shift happen, and how will it affect public library budgets? Sanchez answers these questions in his article by sharing the results of an experiment at the Mesa County Public Libraries in Colorado, where he is director. Sanchez forecasts a number of "conservative" assumptions about the eventual migration to digital content (focusing on books). His assumptions, and the numbers and estimates that result, may spark a slight panic in librarians. His point, I believe, is more of a wake-up call to librarians—to think about the business models under which they are licensing content today and how those models and agreements will impact the collections and budgets of the future. Regardless of outcomes, Sanchez concludes, "We should be planning now for the worst scenarios, and be ready to execute those plans when we see which scenario will eventually play out."

"Negotiating with Content Vendors: An Art or a Science?" by Matt Dunie. Dunie, an industry executive with a long list of accomplishments, explores the

process of negotiating for digital content in libraries. Dunie believes that the scale of library scope and budget do not necessarily impact the efficiency of the vendor negotiation process. He sheds light on the negotiation process (both as it is and as it needs to be) between mission-driven institutions (libraries) and profit-driven organizations (vendors). Dunie endorses a documented negotiation process within libraries as opposed to a product review process, citing an ever-expanding product base with fewer library staff as the impetus for establishment of a negotiation process.

So, is negotiation an art or a science? Dunie, of course, does not have the magic answer to this rhetorical question, but he does convey his message about the importance of negotiating in very specific and well-defined language. His honest and open discussion of how vendors determine price components and cost structures (complete with charts and graphs of royalty charts and ten-year sales forecasts) allows librarians to see the purchase process through the eyes of a sales manager. Once we understand how the other side is approaching the sale, it should be much easier for libraries to plan for negotiations. And negotiations, according to Dunie, involve four important facets—objectives, timetables, the right team, and a strategy—combined together, they are essential in making libraries more effective in acquiring products.

"Supplying and Collecting Books: An Uneasy Metamorphosis," by Michael Zeoli. Zeoli, vice president for content development and partner relations at YBP Library Services, reminds us that no player in the e-content ecosystem—be they for-profit corporations or nonprofit institutions—can master the "digital shift" single-handedly. Zeoli states that we (libraries, vendors) are all guilty of "viewing the circumstances of our sectors in isolation, as though they existed separately from the others, so not always appreciating the fact that we share in the same travails and . . . potential rewards." Therefore, Zeoli focuses his article on the relationships among the players in this digital shift—librarians, publishers, aggregators, and other e-content companies. Zeoli identifies three challenges we need to overcome to master the digital shift together. These are isolationism—viewing the e-content shift through a single lens rather than openly sharing and seeking information; content availability—understanding the diverse definitions of what

e-content is available to whom, and when; and partnerships—developing trust and cooperation amongst all parties.

With his vast experience as an academic library content provider, Zeoli is also able to provide very specific details of supplying and collecting books in this market. He affords an insider's view on the complex nature of publisher-aggregator-library relationships.

Taken together, these three different writers, subjects, and articles provide a greater understanding of the challenges of acquiring digital content in libraries and of licensing and selling content through publishers. Sanchez brings to light what may be the future of library budgets in regard to e-content. If librarians take the advice of Dunie—to work on better negotiation—and of Zeoli—to create partnerships with all players in the e-content arena—perhaps we can work together to bring a positive future to everyone. And perhaps someday, licensing e-content will be easy.

Notes

1. Sue Polanka, "Purchasing E-books in Libraries: A Maze of Opportunities and Challenges," chapter 1 in "The *No Shelf Required* Guide to E-book Purchasing," *Library Technology Reports* 47, no. 8 (November/December 2011): 7, doi:10.5860/ltr.47n8.
2. Sue Polanka, "OdiloTID Enables Libraries to Directly Negotiate with Publishers for E-books, Following DCL Model," *No Shelf Required* (blog), June 24, 2013, www.libraries.wright.edu/noshelfrequired/2013/06/24/odilotid-enables-libraries-to-directly-negotiate-with-publishers-for-ebooks-following-dcl-model/.
3. Mirela Roncevic, "Total BooX Announces Service Expansion in the United States," *No Shelf Required* (blog), May 28, 2014, www.libraries.wright.edu/noshelfrequired/2014/05/28/total-boox-announces-service-expansion-in-the-united-states/.
4. Sue Polanka, "Open Access eBooks Part Five—Knowledge Unlatched," *No Shelf Required* (blog), October 26, 2012, www.libraries.wright.edu/noshelfrequired/2012/10/26/open-access-ebooks-part-five-knowledge-unlatched/.
5. Sue Polanka, "Knowledge Unlatched Full Report on Proof-of-Concept Pilot for OA Monographs," *No Shelf Required* (blog), January 20, 2015, www.libraries.wright.edu/noshelfrequired/2015/01/20/knowledge-unlatched-full-report-on-proof-of-concept-pilot-for-oa-monographs/.