An Initial Report: ReadersFirst’s Follow-Up on the Elending Project Studies

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Any work in this area must begin by thanking Rebecca Giblin of Monash University and her Australian colleagues, who have been pioneers in this area of study. See their work at http://www.elendingproject.org/. They began with a 546 title study examining the offerings of 5 e-book vendors in Australia and additionally of one vendor across New Zealand, Australia, Canada, Great Britain and the USA. Members of ReadersFirst were intrigued by the results of the 5 vendors in Australia: The study found substantial variations in availability, price, and licensing models for the titles across the vendors. We decided to see what the results might be if we compared some of the major vendors in the USA and Canada. The Monash team has gone on to complete a 100,000 title study, looking at these titles for one vendor (OverDrive) across the five countries. I encourage everyone to seek out their results online. Two papers on the studies have already been published. They may be found here https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3346199 and here https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3354215

If our study advances their work in any way, it is only by giving a more detailed view of the state of the library e-book market in USA and Canada, considering how multiple vendors in these countries might add to the picture our Australian partners are composing.

Speaking of the USA and Canada, I owe thanks to many colleagues. Michael Santangelo of BookOps collected data on two vendors in the USA. Cathy Mason of Columbus Metropolitan Library worked with another vendor to get data from them. Trina Jacobs of my library surveyed print titles for the USA. Susan Caron and her team from Toronto, Nancy Peel from Windsor, and Ann Archer and Monique Brûlé from Ottawa got data from the same three digital content vendors for Canada and also for print. Any errors in data analysis or conclusions are, however, mine alone. I also owe thanks to some vendor employees for their help, but they will go unnamed so as not to identify the vendor. A full disclosure is also due: my library allowed access to the Elending Project for one vendor for their USA data, and the two papers listed above cite some work the ReadersFirst Working group has done on library digital content.

The purpose of our study is not to suggest one vendor is better than another. It is to provide a snapshot at what digital librarians face as they build and maintain collections in 2019. Second, the following report is but a preliminary analysis. The data has been collected but I still have to standardize it with format used in the Australian studies, at which time I hope it might be loaded to the Elending Project site to query and draw further conclusions. Even now, however, our data suggests some general conclusions that will, I hope, be of interest to the Library community. Finally, our study has at least one possible limitation. Ideally, we would have harvested data from the three vendors in two countries all at the same time. We are all volunteers, however, and this study is nobody’s assigned job. So, data collection took place over 2 months. Some variation in licensing models or price could be attributed to querying titles from different vendors at different times. That said, I believe our data is accurate and reliable. Obviously, we are dealing with a snapshot; many data points, especially prices, might change quickly.

Our study has 557 titles for the USA and 556 for Canada. A colleague from the USA asked that a high-demand title be added after we composed the initial lists, in order to see if variations in price existed among the vendors, and we didn’t get data for 2 Canadian vendors on it. It was Fire and Fury, hugely
popular last year early in 2018 and probably now largely unread, supplanted by other titles in its growing genre. We kept a number of titles from the initial Monash study to have some overlap and consistency with that study and because that study drew upon high demand titles (visit this site for information: http://www.elendingproject.org/methodology.html). A number of titles primarily of cultural significance to Australia have been replaced with titles from Canada and the USA. The titles were drawn from best seller lists on Amazon and other sources, from prize winners including Pulitzer and Man Booker list, and from high demand titles as judged by library selectors based upon reviews. They include titles of historic interest dating back to 1924 but most are from the past 5 years—50.1%. Titles of interest to children, teens, and adults are included. A follow-up to our study, should one ever be conducted, might consider focusing more narrowly on Canadian and USA titles, since some lack of availability of titles can no doubt be attributed to lack of recognition of some authors internationally and lack of international publishing agreements.

On to the study results.

Let’s look at print availability first. Of the 557 titles, all could be purchased in print, if a library went to online bookstores. Some titles might, however, be used rather than new, and furthermore relatively expensive. Libraries would not typically obtain such works, unless they fit some special need. In order to compare fairly what we can easily get in print to what we can get in e-books, we have chosen to limit the print selections to what library vendors offered. We focused on high quality print runs, likely to last: hard backs and trade paper were preferred. Some titles, however, are only available in inexpensive paperbacks. If a follow-up study were to be done, it might compile a list of available titles across several vendors rather than (as we have done) used one print vendor per country.

In the USA, 479 titles were available in print, or 86%. Canadian selectors fare better: 525 are available, or 94.4%. So, in USA, 78 titles can’t be had via a vendor, but only 39 are missing in Canada. Why the difference? We hypothesize that Canada has an easier time getting some of the Australian/NZ/UK titles in the study because of publishing rights. That hypothesis is borne out by print publishers, such as Puffin, Penguin Group Australia, University of Queensland Press, or Harlequin Australia not publishing some titles in a USA edition. Differences between US and Canadian copyright laws might account for other differences.

If a librarian wanted to get every available title, it would cost a USA purchaser a total of $5,289.27, or $11.04 per title. A Canadian librarian would pay $10,704.69, an average of $20.39. Why do Canadians pay nearly twice the average per title? It isn’t the exchange rate. Converting to US dollars at today’s exchange rate, Canadians would still pay $15.29 per. Nor is it likely the higher Canadian cost can be attributed to any vendor discounts. The Canadian Library providing data was bigger than mine, collects more in print, and if anything, probably gets a better discount based on its budget. Perhaps our Canadian source gave use retail rather than library price. If our study is to be undertaken again, looking across several print vendors and averaging among them or simply taking the lowest price might give different cost figures.

**E-Book Availability:**

For Canada, 468 titles are available, down from 525 in print, so 57 fewer. That’s substantial, about 11%. Many of the titles available in print but not in e-book are titles of significance in Australia (for example, a Colleen McCullough title, many children’s titles). It could be that their publishers do not think would be
high enough in demand to be licensed. It could also be that Canada’s copyright laws allow for print access that publishers do not wish to give for licenses. In any case, 94.4% are available in print but only 84.2% in e-book. The availability of physical titles is identical to the first (smaller) eLending study (94%). Interestingly, e-book availability in our snapshot is actually greater than in that eLending study of Canada, in which only 70% of titles were available. The difference is perhaps due to the original study only using one vendor for Canada. A future comparison of specific titles in each dataset might help explain the difference.

USA selectors fare better: Only 12 fewer titles are available in e-book form, 467 down from 479 in print. So, print works are available at 86.9% and e-books at 83.8%. It is interesting that the number of available e-book titles in the USA and Canada is nearly identical, even though the actual titles available in each country differs. Unavailable titles do show one disturbing trend: 20 titles not available to library e-book readers are nevertheless available to Amazon Kindle users, while a further 11 titles are available in Audible but not in e-book. Two titles were self-published and not available, though the ability of vendors to provide such content in the future is vital given market trends, with smaller publishers and independently published titles occupying a larger amount of what readers consume. Presumably, it is also content they want, though its lower cost may help drive its growth.

Publication date is somewhat of a factor in availability but not as much as one might think. 47 titles were published before 1970. Of those, only 8 are unavailable. These unavailable titles do include 4 Pulitzer winners or nominees. Times and tastes change, and a work once thought essential might no longer seem compelling enough to be licensed. Still, building a collection that might include significant works for the past may be a challenge, especially (as we shall explore later) if they are available only on time-limited license terms.

It is difficult to generalize quickly about what sort of titles are available in print but not e-book. Further analysis of our results is needed. A quick look suggests that poetry, drama, and less popular but still important works (literary prize winners or literary fiction) from 1990 through 2015 are slightly less likely to be available. Also less likely to be available are children’s works, especially those with pictures. Perhaps the lack of print’s tactile quality in e-book form limits demand, and so licensing, of such titles.

While availability of e-book titles may lag a bit in Canada when compared to print, having a mean of 84% of titles available in e-book is encouraging. Further analysis needs to be done on the relationship of age to availability and availability by publisher (especially Big 5 to others) to see how our results might compare with the eLending studies.

**General conclusions based on availability data:**

—greater availability of titles (when compared to some seven years ago) means building a popular collection of high demand e-books is more possible than even five years ago. If we consider only availability, we are not at too big a disadvantage in building an e-book collection when compared to print. Many older but still popular and/or significant titles are available, so age of title is not as significant a factor as might be supposed. Collecting e-book titles of less popular interest, however, may be a challenge, especially in poetry, drama, and literary fiction.
Amazon is now among the Big 5 publishers in digital content. Ensuring access to their growing collection of unique holdings in libraries is problematic, even though such titles may make it onto the Amazon and even other best-seller lists. Often the culprit is exclusive licensing, which may happen in e-book or digital audio: for example, at time of writing, the current Canadian Prime Minister's autobiography is only available via Audible in Canada. If Amazon has exclusive rights to a title, our ability to curate and preserve, at least in digital format, is a future challenge we may not be able to meet.

**Costs**

If one wanted to get all the USA e-book titles, it would cost $16,597 at an average cost of $35.54 per title. That is over three times the cost per title of print. For Canada, it would be $17,745 at $37.92 per title, better when compared to print costs for the Canadian titles but still nearly double the amount.

E-books are not always more expensive than print. Sometimes they cost less, sometimes far more. The least expensive USA title is $2.27. The most expensive is $90.95. In Canada, prices range from $9.99 to $124.04. Best sellers generally occupy a high middle ground well above the average. What is more surprising is that perhaps less popular titles are often not lower in price. 1979’s *The Executioner’s Song* by Norman Mailer costs $14.02 (USA) in print but $75.00 for e-book in all three USA vendors. An older publication date is no guarantee of a low price: of the 47 titles older than 1970, 24 are priced at $50 or more in the USA, well above average cost. *The Autobiography of Mark Twain* is priced at $90.95 for One Copy/One User Perpetual License. It is “The Complete and Authoritative Edition,” perhaps with editorial comments, and these features might differentiate it from a free version in Project Gutenberg. The cost is likely to make it more desirable for academic than public libraries. There is a correlation between cost, currency and popularity: best-sellers from the past five or so years generally fetch $55 to $78, with One Copy/One User titles being pricier than metered access.

Not surprisingly, e-books are a more expensive proposition than are print for libraries. Are their costs justified? Rather than looking at cost per title, perhaps we may make an effort to tease out a cost per use to see. Calculating a cost per use in print is tricky. The first person to check out a print book might spill coffee on it and ruin it or simply never return it. E-books are immune to such mishaps. Publishers sometimes justify a higher e-book cost for libraries than for consumers by arguing that digital never wears out so that, unlike with print, we don’t have to buy more. That argument is less valid as more publishers move to a metered model. But a print hardback book might last 100 circs and—in our experience—often does. Costs may be pennies per use. Some title may never circulate well and be costly on a per use basis. The same unfortunate outcome can also occur, however, with e-books.

E-books seem less likely to offer such a good return. They may, if a title is inexpensive and available on a One Copy/One User perpetual license. *The Executioner’s Song* is available in such a license. Its initial cost of $75 nevertheless makes it seem less likely to equal a print investment. A print version of the title at $14 could easily last 5 years. Would this e-book title circulate 75 times in five years or even ten? It would be interesting to find a library that owns it to see how it is doing. Metered licenses complicate the matter even more for libraries. For example, *The Collected Stories of Katherine Anne Porter*, costs $10.95 in print (USA) but $40 for e-books from all three USA vendors. Moreover, it is available from all three USA vendors on a 24 months metered license. The title is culturally significant. If it would be checked out 52 times in the 24 months, costing $.77 per use, many librarians would likely purchase it. What if demand is not so high? Many librarians might balk at purchase either of these titles, thinking them unlikely to have high enough circulation to justify the money, especially if a title’s lease might quickly
expire. Many titles that are available may not, as the Elending Project group has averred, be accessible to our readers.

While we might never expect library digital cost per title to be as low as that of print, then, metered models and higher title costs suggest that cost per use for digital on average is certainly higher, likely much higher, than print. Even if cost is about $1.00 or so per use for digital use (on, say, a 52 circ license at $59—not uncommon) rather than perhaps pennies for print, cost may be a barrier to delivering library service efficiently, even as we are increasingly called upon to provide content in digital formats. Even high-demand titles on two year/52 circ models are unlikely to return as well as print, though at least they are likely to get the full use that their license allows. A library’s ability to afford older titles of significant merit or even newer but perhaps less popular works is likely be limited. Are current publisher practices squeezing libraries into a popular-title-only collection model, even when we might wish to provide and conserve more?

Speaking of costs, let’s look at cost variation among vendors. Our sources were asked to provide vendor prices at the moment they checked the title. There are substantial cost differences across vendors per title. A quick looks suggests more uniformity among USA vendors than in Canada. Many prices are the same for all three USA vendors. Some variation nevertheless exists: $87 for a title vs. $55, $78 vs. $55, and in one case a high of $81 vs. a low of $11.56. In Canada, prices per titles vary in price across vendors much more often, and perhaps even more in degree: $124.04 vs.$12.95, for example, or $107.97 vs. $21.72. Why for Charlene Harris’s Dead in the Family do two USA vendors charge $55 when on charges $9.99? There does not seem to be a clear pattern behind why the prices vary, but it is clear that they often do. One might well ask why. Do they result from publishers giving discounts that not all vendors offer? Do they come from different vendors acquiring access to books at different times and never updating their cost data? Do publishers quote different prices to different vendors? The question seems well-worth exploring. It could not be answer without querying the vendors. Without such information, pricing can seem capricious, unconnected from age or likely demand. Many best-selling authors are offered a standard high rate, but other titles may vary considerably. In some instances, publishers are not being consistent in their rates, even for best-selling authors. For example, Baldacci’s Memory Man (2015) from Hachette is $84 for all vendors in both countries, while from the same publisher Sparks’ Safe Haven (2010) comes in at $78, while Donna Tattt’s The Goldfinch (2013) rings up at $90. Why the difference? Is Ms. Tattt more in need of funds than Mr. Baldacci, who is more in need of funds than Mr. Sparks? Does she have a better agent? All are one copy/user licenses, which may at least explain why they are much more expensive than Grisham’s Camino Island (Random, 2017) at $27.00, with its 24 month metered license. In our findings, cost variations seem more frequent across vendors in Canada than in the USA. In the USA, 11 titles had at least a $5 variance across vendors. In Canada, the figure is 69 titles. The difference is striking. One can only wonder why it exists.

**General conclusions based on cost variations among vendors:** The price for the same title can vary substantially from vendor to vendor. Don’t necessarily expect good pricing on older titles. Collection librarians should ask their vendors questions. For example, when a publisher offers a sale, does the vendor advertise it and lower prices to match? What are costs compared to publisher list price? Vendors may charge more or less than publisher asking price. Libraries that can draw from more than one vendor may achieve lower costs, with the obvious drawback of first having to shop for bargains and then direct users to different vendor platforms to discover titles. A vendor, perhaps a non-profit one, that always guaranteed following publisher sales, might have a market niche.
Coverage and Overlap:

Speaking of variation among publishers, let’s consider how many titles the three vendors offer in each country. In Canada, it is 331, 403, and 440 titles. One vendor obviously offers more selection than the others. Vendor offerings vary less widely in the USA: 428, 426, and 451, with vendor three offering more but not as much more. No single vendor, however, offers all available titles. The highest percentage is 451 of 467, or 96.6%.

General conclusions based on vendor coverage of titles: Having more than one vendor is not only advantageous in terms of cost but also provides the best chance to offer the most titles. In both the USA and Canada, using a combination of vendors 2 and 3 will get most available titles. In both countries, however, one must use all three to get 100% of the titles. Using the offerings of just vendors 2 and 3 will only leave out one or two titles in either country, but extrapolating our 557 title sample to a much larger catalog could leave considerable gaps in coverage if a library uses only two vendors. The need for a platform that offers access across vendors, like the Library Simplified app, could not be clearer. Having multiple vendors will, however, ensure more work for collection staff and without a federating platform is likely to create content deserts: titles that patrons do not discover due to the inconvenience of looking at many platforms or (even if all titles are in a catalog) signup for many different accounts. Smaller libraries that may not have resources to draw from more than one vendor will just have to do the best they can.

Licensing

Of the 467 available USA titles, 159 (34%) are offered on a One Copy/One User model. Six major discrepancies (1.3%) exist across vendors—when one vendor lists a title as available One Copy/One User but one or two other vendors list it as metered. In Canada, 136 titles out of 468 are One Copy/One User (29%), but eighteen discrepancies (3.8 %)exist. It might have been that these discrepancies could be due to Penguin Random House (PRH) moving from One Copy/One User to metered during our data gathering period. This change was not a factor for the USA. PRH’s titles are not among those listed with discrepancies. In Canada, 5 of 18 titles were from PRH, and possibly vendors were in the process of changing license terms as we collected data. Vendor 1 reported more Scholastic titles as One Copy/One User than did the other two. The reason is unclear for these variances and worth some looking into, though again finding an answer would require querying vendors and publishers. Differences in reported license models across vendors are still a less significant occurrence than in the original Elearning Project of five vendors in Australia, in which 22% of the titles had discrepancies. Those differences, however, seem due to one of the vendors in that study not having changed their offerings after a big shift in one publisher’s license model. The number of metered titles offered does give reason for pause. In the USA, it is 308 (66%). In Canada, it is 336 (71%). The One Copy/One User model, once the dominant and often only model, seems to be on the wane. The metered model offers advantages to libraries: unless a publisher offers a buy-back of titles (apparently this practice sometimes happens with One Copy/One Users titles but librarians don’t always know of it), meeting patron demand for high interest titles in the One Copy/One User model can a challenge. One has to buy many titles that may go unused when the demand ebbs. For popular works, metered licenses are often likely to have their terms completely fulfilled and to offer some cost savings. On the other hand, having nothing but metered access means constant rebuying and possibly even a chance complete loss of access if a title is ever discontinued in
metered model by a publisher. For less popular titles, moreover, a metered license can be “exploding”: expired before the possible number of circulations are fulfilled.

A detailed assessment of variations in metered licensing terms across vendors in this dataset has yet to be undertaken. For example, in Canada, George R. R. Martin’s *A Dance with Dragons* is offered by one vendor at 24 months or 52 circs, while the other two offer it at only 24 months. *East of Time* by Jacob Rosenberg is offered by one vendor at 36 circs/24 months and another at 52 circs/24 months. Given an option, wouldn’t one want the latter? A quick look suggests that vendors generally offer the same terms per title: for the same number of circs or months or some combination of them. Libraries with multiple vendors might do well, however, to look for the best deal.

The actual license terms can be problematic. In the USA, 196 titles are licensed by time only: 12 months (27 titles) or 24 months (169 titles) are common. A mixed license (24 months or 52 circulations, whichever comes first) accounts for 64 titles. 39 titles are available for 26 circulations without time limit. In Canada, titles are licensed thusly: 12 months (24), 24 months (180), 24 months or 36 circs (19—the USA has no such licenses), 24 months or 52 circs (39). If demand is not high in a 12-month time period, cost per use can be high. Such titles would also require frequent relicensing. Librarians are perhaps hesitant to buy tiles on a one- or even two-year license unless they are of guaranteed popularity. A 26 circ-per-title model at least gives us a guarantee of cost-per-use and is perhaps a license worthy of greater adoption. Both publishers and library would know that a book that cost, for example, $52 to license for 26 circs would likely eventually cost $2 per use. It would be up to the ordering librarian to decide if that cost per use was acceptable, but this alternative seems better than (as might often happen with other metered models) never being certain.

**General conclusions based upon licensing models:** while our study shows little variation in licensing model across the vendors, the increasing dominance of the metered license, especially those based only on time periods and not number of circulations, presents issues for libraries trying to build rich collections of long-term significance in a time we are increasingly challenged to meet demands for content in digital formats. The challenge is increased when one considers the high number of non-best-selling titles that are available in metered access only. Of titles not officially listed as best-sellers (though many such titles are well-reviewed and perhaps likely to meet the terms on which they are licensed), Canada has 197 that are metered. The USA has 146. Will such books obtained in metered licenses be cost-effective? Titles licensed by time and not number of circs, especially if the time period is only one year, seem particularly problematic. Reordering of these titles, even if they fulfill license terms, seems inevitable. If publishers would offer a variety of license models at point of sale, libraries could best use their budgets while—if titles are fairly priced—offering publishers and authors revenue. Offering titles simultaneously in metered (perhaps cost-per-use or perhaps time/circ) and One Copy/One User models would be a good start. One Copy/One User models could perhaps be slightly more expensive to reflect the fact that they don’t expire. Many smaller publishers are offering a variety of models at point of license. Large publishers might find that they sold more to libraries if they adopted a similar proactive—or is the issue perhaps that many of them don’t want to develop this market?

**Overall Conclusions and a Few Recommendations:**
Libraries in the USA and Canada have nearly the same access to titles in e-books (at least for those sampled) as they do in print, with Canada having slightly richer print offerings. We face challenges, however, in offering a broad and deep digital collection to match our print holdings. Costs for e-books, especially cost-per-use, is likely to be much higher than for print, even for older titles. Our budgets will not go as far in the digital realm. Variations in availability of titles, pricing, and licensing terms exist across vendors. Libraries that have the resources (materials budget, employee time) to use more than one vendor will sometimes be able to realize cost savings or more favorable terms and certainly build a broader collection. They will face challenges in keeping up with the workload, of course, and the need for improved and standardized APIs (as with NISO’s FASTEN project) to streamline cross-platform access or for an app such as Library Simplified to improve discovery across platforms has never been clearer. Less well-funded or smaller libraries may face greater challenges. The growth of metered licenses and the cost of less popular/older items will, however, present challenges to all libraries. Are we being forced by business models and costs into “boutique” e-book collections, offering only titles likely to earn their keep and forever re-ordering popular authors?

In light of what we have seen here, a few recommendations may be tentatively posited. Legal action from governments to extend fair use or other copyright advantages into the digital realm or to legislate prices being unlikely, a good first step forward would be for libraries, vendors, and publishers to agree upon multiple license models that will allow libraries to make best use of their funds while still respecting authors, publishers, and vendors. Many smaller publishers already offer such models. Would it be all that difficult for larger ones to follow? While the increasing number of titles exclusive to Amazon and not available through libraries is troubling, this trend does point a possible direction. An agreement with Amazon is unlikely or (since they are unlikely to allow use outside their confines) even unwelcome. If many larger publisher titles become marginal choices due to cost/license models, however, might we find ways to better take advantage of the burgeoning independent and small-publisher e-book market to broaden our collections.

No matter what else our data shows, however, the need for librarians to talk with their vendors is clear. What are the reasons for cost variations? Do the vendors get deals or news of buy-backs? Do they share this news and allow libraries to take advantage? Perhaps above all, with some large publishers making license changes that do not necessarily advantage libraries and in some cases seemingly unwilling to talk, how might the vendors join with libraries to advocate with us to create a more robust digital experience?