

Voices for the Library would like to submit the following response to the call for evidence into the e-lending in libraries independent panel review.

Voices for the Library is a nation-wide campaign group promoting the value of public libraries and presenting the views of anyone who loves libraries.

### **Benefits of e-lending**

1 Ebooks have the potential to address issues surrounding social inclusion for the partially sighted and enable them to access materials that are otherwise beyond their reach in terms of cost and accessibility. As RNIB highlighted in a recent report:

“In terms of improving the amount of information produced in accessible formats, ebooks and specifically the EPUB format arguably offers the most potential to improve access to books for blind and partially sighted people around the world.” (RNIB, 2010)

2. The same report published by RNIB revealed a range of benefits offered by ebooks:

- access to a wider range of content than is currently accessible using other reading methods, particularly for academic or study purposes;
- generally easy to read ebooks
- generally easy to search for and download ebooks;
- some good accessibility features identified across the range of ebook readers easy to navigate in comparison to narrated audiobooks;
- improved social inclusion:
  - increased potential to share their reading experiences with others, such as book clubs; although in practice, for leisure reading, some ebook users still preferred audiobooks.
- The introduction of ebooks also provides increased social benefits for partially sighted readers, as they are now able to participate more fully in the reading experience with other readers:
  - “It would have the potential for me to be reading things that my friends are reading.[...] Quicker access to recently published things that would help with sharing things with family or friends, talking about things, socially really I think it’s quite beneficial, I’d love to belong to a book group.”  
(RNIB, 2010)

**3.** Participants in the RNIB study revealed the extent to which ebooks have aided their reading experience:

“...in my teens I read for pleasure. I started reading less and less as my eyesight got bad and I just would get headaches. I could still read 12-point text, or normal text, in a book, but I would get headaches fairly quickly so then it was reading primarily for academic reasons, which continued through university until very recently, when I got an ebook actually, and started reading for fun again.” (RNIB, 2010)

**4.** However, there is a perception that the technology surrounding ebook access is difficult and support is required to gain the full benefits of the ebook reading experience:

“The thing is with screen readers and computers is that they’re so badly behaved – well, they can play up.”

“I suppose, I’ve come to screen reading much later than some other people because the younger people would go straight into that from school, would they? But I’m getting better with the computer now.” (RNIB, 2010)

**5.** The RNIB report also revealed that:

“Ultimately, for many in the non-ebook user group, it appeared that fear of the unknown and of technology in particular was a hurdle to adoption; some perceived that they lacked the confidence and skill required to use new technology.” (RNIB, 2010)

This suggests that there is a need for skilled support to ensure that the partially sighted are able to engage in a medium that improves social inclusion and personal development.

**6.** The delivery of an ebook service via a public library also benefits the housebound. Instead of relying on an inefficient volunteer led housebound service, housebound users are able to access books online by themselves and download/request ebooks they would like to read rather than rely on a proxy. Access to an ebook service provides housebound users with many of the same benefits as received by partially sighted users, including access to a wider range of stock, social inclusion and encourage personal development.

**7.** As well as the housebound and partially sighted, the provision of ebooks in libraries provides the opportunity to broaden usage and ensure libraries continue to play a significant role in the 21<sup>st</sup> century and beyond. For those working throughout the week, a physical visit to the local public library during opening hours may be impractical. The availability of book stock virtually, when the library is closed, encourages the idea of a 24/7 library service, ensuring that the library service can be utilised when it is convenient for the user, rather than when it is convenient for the service provider. This is significantly more cost effective and efficient than opening the library for

extended hours in the evening, and also allows users access to stock beyond the physical limitations of their own local library.

**8.** The availability of ebooks has the potential to attract new users and, therefore, increase visibility of the full range of services provided by the library service specifically, and the local authority in general. As new users join to make use of the service, it increases the likelihood that they will make broader use of library services, such as attending events or utilising resources available within the library building.

**9.** There are also significant benefits for libraries in terms of costs. Once the ebook is purchased it remains in the same condition as when it was purchased in perpetuity and there are no ongoing costs associated with damaged or 'lost' stock ie stock needs to be replaced or repaired. This can help to reduce costs at a time when budgets are squeezed as a result of the drive to reduce spending across local government.

**10.** Increased access to ebooks in libraries will also benefit both publishers and authors in terms of wider promotion of their books, which will lead to increased sales.

### **The place for ebooks in public libraries**

**11.** There is no evidence so far that the borrowing of print books will be significantly affected by increased borrowing of ebooks, although there is likely to be some impact. A study published by The Pew Research Center's Internet & American Life Project revealed that ebook readers also tend to read print books:

“On any given day, 49% of those who own e-book readers like the original Kindles and Nooks are reading an e-book. And 59% of those e-reader owners said they were reading a printed book. On any given day, 39% of tablet owners are reading an e-book and 64% were reading a printed book.”

(Rainie et al, 2012)

**12.** However, it should be noted that there is a gradual shift in the ebook and printed book markets, indicating that the provision of a comprehensive library service will only be achieved in future by the supply of book lending stock in both a printed and electronic format.

- 8 out of top 10 publishers print sales dropped by 10%+ in year on year analysis in 1st 12 weeks of 2012 (Stone & Page, 2012).
- Increase in ebook sales by value between Jan/June 2012 compared to same period in 2011: Fiction +188%; Children's +171%; Non-fiction +128%; Up from £30m to £84m (E-book sales up 188 per cent, 2012).

**13.** In an era where people are able (and expect to) access services online, such as banking, shopping, purchasing insurance and comparing utility providers, there is an expectation that users should be able to download ebooks from the comfort of their home. A requirement to visit the library to access a virtual service and download an ebook would remove a significant advantage in the availability of the format, severely restrict access (particularly for the housebound) and would be highly impractical given the need to ensure suitable equipment is available for users at the point of need.

**14.** Providing access to ebook lending via libraries will also continue to reflect many of the benefits provided by access to library books in a printed format:

- Free access to information and books for all.
- Development of users literacy skills.
- Impact of personal development on local communities and the economy in general.

**15.** The Chartered Institute of Library and Information Professionals published figures stating that 107 public library services in England already provided an ebook lending service to library members (CILIP, 2012).

### **The supply of ebooks now and in the future (current supply models)**

**16.** Some publishers have been restrictive in terms of allowing public libraries to lend ebooks. A number of the larger publishers in particular have refused to allow their titles to be lent through existing services by public libraries. In February 2012, Penguin books announced that it would no longer allow Overdrive (the market leader) to offer their publications to public libraries for lending (Reid, 2012).

**17.** Each ebook aggregator provides a different method for library users to access ebooks. Broadly speaking these methods include allowing the ebook to be downloaded onto a device upon which they can be read (eg ebook reader, tablet, computer, laptop), or allowing the ebook to be read via an internet browser.

**18.** The most common licensing model used by libraries is the one licence, one borrower model. This model works in a similar way to the loan of printed books, whereby the number of people who can access a printed book at the same time is limited to the number of copies in stock. For example, if a library service wished to allow three people to access the same ebook at the same time the library service would need to purchase three licences for that individual ebook.

**19.** Digital Rights Management (DRM) software attached to ebooks also serves to restrict the use of ebooks by removing access to the book once the loan period has expired and disabling the ability to copy between devices.

**20.** In 2010, the Publisher's Association outlined restrictions on e-lending that may require borrowers to physically visit the library in order to borrow ebooks (Page, 2010). Given the nature of the users that would most benefit from widespread availability of ebooks (those who are unable to visit the library during normal opening hours), this would not be a welcome option.

**21.** Publishers have also previously suggested treating ebooks as equivalent to print books in terms of their lifespan. In 2011, HarperCollins suggested that there should be a 26 issue limit on a particular ebook at which point the library would be required to purchase a further copy (Hadro, 2011). This assumes that all printed book stock has the same life span and usage patterns - some can last longer than 26 issues (normanlibrary, 2011).

**22.** Amazon recently launched their Kindle Lending Library service in the UK which could have a significant impact on the ebook market. For an annual fee, Amazon customers are able to borrow one book a month from the Lending Library free from a return date (Kindle Owners' Lending Library, 2012). Whilst this service is only available to those who own an Amazon Kindle, the Kindle is the market leading e-reader and consequently this service is likely to have a significant impact. Furthermore, Amazon reimburses authors whose works have been borrowed through their Lending Library service. This is in contrast with the existing Public Lending Right arrangements which do not reimburse authors for the loan of their works.

**23.** With Amazon's move into a subscription based ebook model, it is clear that the future for the publishing industry may well follow the same trajectory as the music industry. In the United States, it has recently emerged that the ebook subscription service Oyster has secured "\$3 million dollars in venture funding that it will use to build a sort of Spotify for e-books: a subscription service for which users will pay a monthly fee and then read as many titles as they want" (Greenfield, 2012) The success of such a venture remains to be seen, and it is difficult to see what the future will hold, but it is clear that a popular, commercial lending service is a very likely development in the near future.

### **Remuneration for publishers and authors**

**24.** At present, ebooks are not included in the Public Lending Right. As ebooks continue to grow in popularity, the decision to differentiate in this regard between print and electronic becomes increasingly difficult to justify. As with print books, authors should receive a payment based on the number of ebook loans of their works. The fact that Amazon are prepared to pay authors for the loan of their works underlines that authors may choose to make their ebooks solely available via Amazon, damaging availability in public libraries. It is essential, therefore, to ensure that ebooks remain available to the broader public that ebook and print loans are treated equally in terms of the PLR. It should be noted that The Digital Economy Act (Section 43) has agreed upon the extension of PLR to ebooks accessed from a physical library

building, but this should be extended to include downloading from remote sites also.

**25.** Some stakeholders have suggested that library users should be charged for access to public library ebooks. However, this would go against the principal of free access to information for all.

### **The impact of e-lending on publishers and their business models**

**26.** Despite the mis-conception, there is substantial evidence to indicate that free lending and retail can exist side by side. In 2011, survey data collected with the help of Bowker PubTrack Consumer on behalf of the Library Journal revealed that “over 50% of all library users report purchasing books by an author they were introduced to in the library” (Albanese, 2011).

**27.** A survey in the United States by Pew in April 2012 found that “A majority of print readers (54%) and readers of e-books (61%) prefer to purchase their own copies of these books.” This suggests that the ability to borrow ebooks for free in the United States (which is far more developed than in the United Kingdom) has minimal impact on sales (Rainie et al, 2012)

**28.** The same study also found that as for the most recent book people read, 48% had bought it and owners of e-book readers and tablets were “much more likely” than others to have bought it (Rainie et al, 2012)

**29.** In terms of where people search for ebooks, the survey found that where they start their search for an e-book they want to read, “75% of e-book readers start their search at an online bookstore or website” whereas only “12% start at the library”. Again, this suggests that, in a developed ebook market such as that in the US, ebook lending has a minimal impact on sales (Rainie et al, 2012)

**30.** The market leader in ebook and ereader sales is Amazon. Having launched their Kindle Owners’ Lending Library service, their experience is instructive in terms of the impact of borrowing ebooks on sales. In a statement released earlier this year, Amazon revealed the impact of their lending service. According to Amazon:

“Early sales data indicates that inclusion in the Kindle Owners’ Lending Library not only generates additional revenue from loans for authors, but actually increases customer purchases of authors’ work as well.”

“Since the launch of the Kindle Owners’ Lending Library in November 2011, the paid retail sales of backlist trade titles in the library have seen 229% higher growth than corresponding titles that are not enrolled” (BusinessWire, 2012).

It is clear that, in Amazon's experience, the lending of ebooks through their service has not harmed sales of titles. Indeed, there appears to have been strong growth in sales as a result of their availability for loan.

**31.** Whilst publishers and booksellers have understandable concerns about the impact of the lending of ebooks on sales, the evidence appears to suggest their concerns are unfounded. Indeed, in a mature ebook market such as the United States, it appears that the availability of ebooks for loan actually benefits publishers and booksellers.

**32.** We believe that publishers concerns centred around unrestricted access to ebook lending stock are unfounded. Many ebook lending services already have restrictions in place to limit access to ebooks:

- Limited loan period of an ebook – it is not kept indefinitely by the borrower.
- Only a limited number of people can access an ebook at the same time.
- Stock can only be borrowed by members of a local library service, where proof of address has already been supplied.

### **The impact on the delivery of library services**

**33.** There is a clear need for strong technical skills to support the delivery of e-lending in public libraries. Clearly those who benefit most from the introduction of the service are those that will also need the most support, for example the partially sighted and housebound. It is therefore key that library staff, particularly professionally trained library staff, are available to support these users and guide them in the use of the technology. Only by providing this technical support can users take full advantage of the benefits of such a service.

**34.** Because a significant number of people still do not have internet access at home (a pre-requisite for accessing ebooks in many cases), there will still be a need to ensure the availability of print books. Indeed, many readers of ebooks continue to choose to buy or borrow print books as well, underlining the need for a public library to ensure both formats are available to library borrowers. At present, according to the Office for National Statistics (ONS), 7.82 million adults in the United Kingdom have never accessed the internet (ONS, 2012a). Furthermore, the ONS also reports that 20% of households do not have an internet connection (ONS, 2012b). It is vital, therefore, to ensure that the rush to embrace ebooks doesn't lead to the neglect of those who are not fortunate to own technology that enables access to ebooks.

**35.** It should also be highlighted that whilst ebooks are increasingly popular with adult readers, they are not in a position to supersede the value of the

printed book in terms of developing children's reading habits. Therefore, it is vital that libraries continue to offer books in a range of formats and that they retain a highly localised presence.

**36.** Any ebook service libraries provide need to encompass the core purpose of libraries at its heart – free access to books and information for all.

**37.** In terms of locality, it is also essential to consider that libraries are not just buildings whose sole purpose is lending books. They also provide a space:

- For independent study.
- For parents to support the development of their children.
- For activities centred around books, literacy and reading.
- That provides access to computers and the internet.

### **Recommendations**

**38.** As a result of the evidence presented above, we recommend a national ebook lending service. The existing situation results in differing access across the country. Some authorities charge for users to borrow ebooks, whilst others offer them free of charge. To ensure consistency throughout the country, ebooks could be provided via gov.uk but with libraries providing support locally.

**39.** As Amazon's experience demonstrates, lending and vending of ebooks can complement each other. Indeed, there appears to be a correlation between borrowing ebooks and purchasing them via Amazon's services. Consequently, booksellers should have a presence on any ebook lending service, providing users with the opportunity to borrow the ebook if they so wish and making it easy for them to subsequently purchase that title or any others that may be of interest. By working in partnership with libraries, booksellers can profit from the borrowing of ebooks, rather than fear the impact free lending may have.

**40.** Ebook loans should be included as part of the Public Lending Right (PLR). As ebooks are simply an alternative method for delivering the printed word, there is no justification for their existence outside the PLR framework.

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