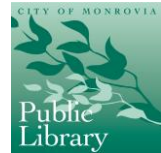




**CITY OF MONROVIA
LIBRARY BOARD
AGENDA REPORT**



DEPARTMENT: Community Services
Library Division

MEETING DATE: May 22, 2014

PREPARED BY: Linda Granicy,
Acting Library Division Manager

AGENDA LOCATION: AR -1

TITLE: Southern California Digital Library Consortium Evaluation

OBJECTIVE: To provide the Library Board with an evaluation of the Southern California Digital Library downloadable ebook and audio book service.

BACKGROUND: The Library Board accepted Staff's recommendation at the June 2012 meeting to join the Southern California Digital Library consortium (SCDL) ebook and audio downloadable service powered by Overdrive.

The transition to downloadable books presents challenges to libraries. Legal issues and publishing company acquisitions continued to dominate the industry. July 2013, U.S. District Court in Manhattan ruled Apple conspired with the top five publishers to raise ebook prices to undercut Amazon.com's ebook dominance raising prices from \$9.99 to \$12.99. (*Public Libraries*, August 13, 2013). Major book publishers have different policies for ebooks at libraries than for print books. A library can purchase any print book and loan it to patrons as many times as the life of the book. For ebooks, a library has a limited selection and has to pay a much higher price than they do for print books. Even with these obstacles, libraries choose to approach ebook popularity as a good thing. When more people have access to books, more people are reading. The added value for libraries is they don't have to worry about collecting fines, because the book automatically expires on the device. The inclusion of ebooks and ereaders encourages children to learn by providing them with more resources and more ways to read and learn.

Providing sufficient technology support can be an obstacle. Not all library staff knows how to operate the variety of ereaders available to the public. Some libraries host workshops on using a variety of equipment to provide support to the public and give everyone access to resources to help them become successful in their careers and personal lives.

Some businesses have become lending libraries, such as Amazon, through a subscription lending program. Amazon launched its lending library service November 3, 2011 with under 5,000 ebook titles and currently reached 500,896 ebooks in its lending collection. Anyone who owns a Kindle and subscribes to Amazon Prime for \$99 a year can borrow one ebook for free each month with no due date. Amazon has more than 100 titles that have been on the New York Times best sellers list, including the Harry Potter and Hunger Games series. The popularity of the service has given lesser known authors more exposure and more popular authors have found their ebook sales have increased. (*Public Libraries*, January 18, 2014)

AR-1

ANALYSIS: The Library launched the SCDL service August 29, 2012. Because staff does not have a full two years to compare, this report includes an eight month comparison over two fiscal years, to illustrate the growth of the service.

Libraries are transitioning their budgets from providing hardcover books to electronic books and OverDrive dominates the U.S. public library market with its digital platform. OverDrive has annual revenues in excess of \$100 million. OverDrive's business model is the most comprehensive supplier of digital material for the most comprehensive collection of digital devices, including the ability for library patrons to borrow an ebook directly to their Kindles. OverDrive's competition is Baker & Taylor's Axis 360 and 3M's Cloud Library. Because of the perception that OverDrive has a difficult system, Baker & Taylor and 3M saw an opportunity to join the market. (*Forbes' Media and Entertainment*, November 18, 2013).

Digital Book Purchasing

Book buying in the digital format has changed the concept of ownership. When libraries and consumers purchase print books, we own them outright. When libraries and consumers purchase digital books, we lease them and are subject to terms and conditions set by each publisher or distributor. The consumer doesn't have the unlimited right to lend an ebook, give it away, resell it or leave it to their heirs. The digital rights management (DRM) encodes copy and usage limitation into the digital file, protecting the livelihood of the author. Another issue with DRM is most ebooks are tied to the seller's reading device or apps. Digital content can be less permanent than physical books. Some libraries have books dating back hundreds of years and can still be read, but some digital files that date back only a decade are unintelligible. Digital formats are not guaranteed perpetual support by the distributors, such as Apple or Amazon.

Publishers

The Big Six publishers became the Big Five in July 2013, when the Penguin Random House merger was completed. The top publishers: Hachette, HarperCollins, Macmillan, Penguin Random House, and Simon & Schuster control approximately two-thirds of the U.S. consumer book publishing market. In the past, publishers have been reluctant to license or sell ebooks to libraries. Efforts by the American Library Association, Authors for Library Ebooks, and Pew Research helped alleviate publishers concerns. January 2012, an American Library Association delegation met with major publishers to discuss the state of digital books. In June 2013, several major authors, including Cory Doctorow, Ursula Le Guin and Jodi Picoult, announced they stand with libraries as part of a new effort called Authors for Library Ebooks. According to the 2012 study from the Pew Internet and American Life project, 41 percent who borrowed ebooks from libraries also purchased ebooks.

The following information comes from the American Libraries Association's Web page on *Frequently Asked Questions Regarding Ebooks and U.S. Libraries*:

Hachette began offering all of its ebook titles to libraries simultaneously with print editions and with unlimited single-user-at-a-time circulations in May 2013. The initial price is three times the highest-price edition then print. One year after publication, the purchase price will drop to 1.5 times the highest-price print edition.

HarperCollins has always offered ebook titles to libraries. February 2011, the company announced that new titles licensed from library ebook vendors would be able to circulate only 26 times before the license expires.

Macmillan announced in March 2013, that a small group of its ebook titles would be available for the first time to libraries. Working with multiple distributors, Macmillan offers over 1,200 backlist ebooks from its Minotaur Books mystery and crime fiction imprint. Once purchased by a library, the titles will be available to lend for two years or 52 lends, whichever comes first. Some of their ebook titles continue to be denied to U.S. libraries, including *Killing Kennedy* by Bill O'Reilly and Martin Dugard and *Wolf Hall* by Hilary Mantel. The audio downloadable format is available for both of these titles.

Penguin Random House's models of working with libraries have maintained their pre-merger standards. Penguin's titles are available to libraries with a one-year expiration date on ebooks licensed to libraries, and library pricing is similar to what is offered to individual consumers.

Random House has always offered its ebook titles to libraries. March 2012, the company dramatically increased prices for libraries beyond what individual consumers pay. Random House offers perpetual licenses to libraries.

Simon & Schuster announced April 2013, that it would begin a one-year pilot with the New York Public Library, Brooklyn Public Library and Queens Public Library. The company is providing access to all of its titles for one year, using 3M as the distributor for New York and Brooklyn and Baker & Taylor for Queens. They recently started providing access through OverDrive. *Team of Rivals* by Doris Kearns Goodwin is available, but *Bruce* by Peter Ames Carlin is not available.

Hundreds of other publishers of ebooks, including small and independent publishers, have embraced the opportunity to create new sales and reach readers through libraries. One innovation allows library patrons to immediately purchase an ebook if the library doesn't have a copy or if there is a wait list they would like to avoid. The Pew Internet Project June 2012 tells us that library users are more than twice as likely to have bought their most recent book as to have borrowed it from a library.

SCDL Collection

The Southern California Digital Library (SCDL) consortium continues to be a good investment for smaller libraries. SCDL provides access to a much greater number of titles than the Library would be able to provide on our own and is less expensive than building a single site collection.

The SCDL collection includes 7,099 total titles and 24,562 total copies. The chart below breaks down the collection per the number of audio and ebook titles and the number of copies available to the patrons. The metered license collection has been separated out of the one copy/one user collection to show the amount of titles that are leased and have an expiration date.

ONE COPY / ONE USER COLLECTION		
FORMAT	TITLES	COPIES
Audiobook	3,088	4,374
eBook	3,599	5,807
METERED ACCESS, LICENSED CONTENT		
eBook	239	13,988
METERED ACCESS, EXPIRING CONTENT		
Audiobook	7	17
eBook	166	376
Totals	7,099	24,562

The chart below further describes the SCDL collection by genres per format and is not a complete genre list.

COLLECTION SUBJECTS		
	AUDIOBOOKS	EBOOKS
Total Fiction	1565	2190
Romance	397	864
Literature	390	463
Mystery	304	344
Thriller	239	327
Suspense	227	206
Historical	128	319
Kids Fiction	443	1142
Teen Fiction	628	956
Total Non-Fiction	861	1028
Business	213	357
Biography	192	123
Self-Improvement	157	54
History	111	91
Religion & Spirituality	45	26
Science	44	21
Humor	39	18
Health & Fitness	30	30
Finance	29	78
Foreign Language Study	28	
Management	27	

Careers	19	
Kid's Non-Fiction	44	170
Teen Non-Fiction		

Below is a chart listing the amount of digital books borrowed by Monrovia library card holders, comparing eight months over two fiscal years.

MONTH	2012-13 BORROWED	2013-14 BORROWED
September	41	240
October	52	277
November	67	332
December	93	318
January	104	426
February	105	409
March	171	439
April	210	458
TOTAL	843	2,899

Below is a chart comparing the 17 most popular subjects borrowed over a two year period. The figures surpass the total amount borrowed because each book can represent more than one subject.

17 MOST POPULAR BORROWED SUBJECTS	2012-13 SEPTEMBER - APRIL	2013-14 SEPTEMBER - APRIL
Fiction	502	1,979
Romance	166	873
Non-Fiction	165	435
Juvenile Fiction	121	183
Mystery	112	399
Literature	109	404
Thriller	108	434
Young Adult Fiction	79	279
Fantasy	71	261
Historical Fiction	70	449
Suspense	65	267
Classic Literature	57	42
Science Fiction	48	162
Business	44	103
Humor	25	112
Biography	22	125
History	21	104

ENVIRONMENTAL IMPACT: There is no environmental impact associated with this report.

FISCAL IMPACT: The SCDL consortium cost per year is \$6,000. The electronic format cost per item for libraries can range from \$50 to \$100. To understand the value of the service, taking the low end of the cost per item and multiplying by 24,562 items available in the SCDL database, provides \$1,228,100 worth of content to Monrovia.

The Library has the option to purchase more copies of a title or add more titles only available to Monrovia Library card holders through an individual Advantage account.

STAFF COMMENTS: The SCDL digital service has steadily gained in popularity, beginning with 843 titles borrowed eight months in the first fiscal year compared to 2,899 titles borrowed eight months in the second fiscal year. Staff is optimistic the service will continue to grow in popularity.

Looking toward the future, the Library's current public online catalog will have the capability of incorporating the consortium's digital title records in the online patron access catalog making it a one-stop-shop for the public searching all book formats.

RECOMMENDATIONS: Staff recommends the Library Board accept the continuation of the subscription to the Southern California Digital Library consortium service.

OPTIONS:

1. Accept staff's recommendation as outlined in this report.
2. Do not approve the staff recommendation and direct staff to explore other options.

RECOMMENDATION: Staff recommends the Library Board move to accept option number one; the continuation of the subscription to the Southern California Digital Library consortium service as outlined in this report.

LIBRARY BOARD ACTION REQUIRED: If the Library Board concurs, the appropriate action would be a motion: ***Approve option one as outlined in this report.***