



**Ebooks: has a content divide replaced the digital divide?**

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**Meeting:**

**182 — What does the e-library mean for the public library users?  
— Public Libraries**

**Abstract:**

*Columbus Metropolitan Library serves a diverse population ranging from poverty to affluent. While we can't be all things to all people, we strive to democratize access to information, ideas and services so all of our customers can live and compete in this digitally driven society. More than 20 years ago public libraries recognized the digital divide and found solutions to dramatically diminish it. Today libraries face a content divide driven by the problem of ebook access for our customers. In order to remain relevant, public libraries must be able to provide our customers with the popular ebooks and digital content they want and need. The current publishing landscape has not been conducive to this broad access, so library leaders must work together on strategies to change it.*

Thank you to Ruth Ornholt, Head of County Library, Department of Culture and Sports, Hordaland County Council, for the invitation to present this paper at the IFLA World Library and Information Congress in Helsinki, Finland.

To begin, let me show this map of the United States to orient the audience to the location of Columbus, Ohio – the 15<sup>th</sup> largest city in the United States. We are located approximately equal distance from Chicago and New York in the Midwestern section of the United States. We have over 110,000 students enrolled in higher education in almost a dozen institutions of higher

learning located in Columbus; Ohio State University has the largest student population of any university in the U.S. We are home to numerous national corporations including Nationwide Insurance, Limited Brands – the parent company of Victoria’s Secret and Abercrombie and Fitch, to name just a few. We are the state capital of Ohio and the metro-area population is approximately 1.7 million.

Our library serves this population through a Main Library, twenty branches, an operations center and a robust offering of outreach services to at-risk populations and the elderly. We have over 800 employees, an annual circulation of 15 million (ebook downloads approaching 500K), over 85,000 enrolled in our Summer Reading Club, 60,000 annual visits from students to our after-school homework help centers, and almost 40,000 annual visitors to our daytime job help centers. One of our branches is located in suburban Dublin, home of the global library cooperative OCLC, founded in 1967. They are a ten-year platinum sponsor of IFLA thanks to the leadership and commitment of CEO Jay Jordan.

It’s worth noting that Columbus Metropolitan Library refers to our users as customers rather than patrons. I mention this because customer is not a term that is frequently or universally used by most public libraries.

My paper and presentation today is entitled: *Ebooks: Has a Content Divide Replaced the Digital Divide?* This presentation is adapted from two previous sources that I authored or co-authored. The first is a [white paper](#) that I co-authored with Martin Gomez, Vice Dean, University of Southern California Libraries, following the National Digital Public Library forum held in Los Angeles in November 2011.

The second source is a recent article I wrote for *Library Journal’s* Digital Shift (it will also appear in the September issue of *Library Journal*), entitled: [Ebooks: Slow Just Won’t Work Anymore.](#)

Both of these sources will provide additional background information on this topic.

There is a saying that “a well-articulated problem is half-solved.” I have a modicum of confidence that I’m getting closer to articulating the problem that we face in the U.S. when it comes to ebook access for our library customers. As I see it, despite years of libraries investing in and touting resource sharing strategies to maximize public access to information, *public libraries are unable to provide some of the most popular, timely and desirable ebook content because major publishers are refusing to sell (or license) this content to public libraries.*

While the problem statement is becoming clearer, the solution remains elusive. If we don’t find a solution, the implications are considerable for our profession and our customers. Many of us were attracted to this profession because we believe strongly in the notion of “the democratization of information and ideas.” Accepting the status quo of denied access to the content most desired by our customers will mean we have allowed the commercial publishing enterprise to dictate public policy in our country and around the world. I believe this is wrong.

It is wrong because two very distinct scenarios are emerging in the communities we serve. Affluent users in prosperous neighborhoods have universal broadband access, numerous ebook hosting devices, and a credit card with the disposable income to acquire whatever content they want. Low-income residents in poorer neighborhoods do not have access to these resources. They run the risk of not being able to access digital content that will allow them to fairly participate, compete and contribute to the world's digital economy.

Here's why there are parallels between the digital divide – which was really a hardware and software divide – and the content divide that is emerging in the ebook marketplace. Public libraries recognized the digital divide more than 20 years ago and developed strategies and partnerships to aggressively tackle this challenge. According to the Pew Survey on the Internet and the American Life, in June 1995, slightly more than 10% of the U.S. public had access to the internet. PCs in the home were not yet commonplace and laptops, tablets and smartphones were in use by early adopters, in the early stages of development, or not yet conceived. Public libraries stepped up, with great assistance from the Gates Foundation, to provide access to PCs and the internet. Today, almost 20 years since the digital divide was recognized, we can look back with pride upon what we accomplished. A 2010 study by the Gates Foundation showed that more than 77 million people were using U.S. public libraries to access the internet. Pew reported that as of April 2011, more than 78% of the U.S. population now has access to the internet. Our public libraries accelerated the narrowing of the digital divide until marketplace access improved – and we continue to narrow it, especially for at-risk populations, each day. Last year, Columbus Metropolitan Library provided more than 2.4 million reservations for PC sessions at one of our 21 locations. Like natural gas and electricity, we are one of the main public utilities in our community – the public computing utility.

There are a few key conditions that exist today that have contributed to the lack of full access to ebook content – and thus have contributed to the emerging content divide:

1. **Lack of competition in digital content aggregation.** OverDrive, the principal aggregator of ebook content, has a virtual monopoly thanks in large part to the long-term investment they have made and the foresight they had to understand ebooks would one day proliferate and seriously compete with analog or print books.
2. **Unfavorable collaborations with content aggregators/providers.** OverDrive has helped expand access to major ebook hardware and software providers – such as Amazon – who initially were reluctant to allow library downloads to their proprietary devices. In the process, libraries have sacrificed the “library brand” experience as library customers are redirected to Amazon's site. Amazon has reaped the benefits without advocating for public access rights through libraries. This should not come as a shock to us as they are an ultra-competitive commercial enterprise. We are a free discovery portal and source of revenue for Amazon. In return, we've been given little credit and received limited benefits for the service we provide for Amazon's business interests.

3. **Refusal to sell or license.** Six of the major publishers of popular ebook content are outright refusing or making it extremely difficult for public libraries to acquire ebook content. These publishers are: Random House, Macmillan, Simon & Schuster, Penguin, Hachette and HarperCollins. In fairness, it is important to note that publisher strategies range from an outright refusal to license ebook content to reasonable pilot models, like HarperCollins 26-loan cap per individual title license, that seek to find a desirable outcome for all parties. And all parties in my view should include: authors, publishers, aggregators, libraries and library customers.
4. **Copyright laws.** Copyright laws and author payment schemes vary in the international marketplace. In the U.S. public libraries have the right to lend materials because of the First Sale Doctrine of our copyright law. However, two key challenges prevent us from applying the First Sale doctrine in the ebook environment. The first is that most ebooks are licensed rather than purchased so the First Sale Doctrine would not apply. The second challenge is the fact that in downloading an ebook, customers are not using the licensed copy – a new temporary copy is created for the duration of the customer download.

In the analog world, if a publisher refused to sell a book to us – though I am unaware of any who did refuse – we simply ordered the book from a bricks and mortar bookstore and began circulating it. That option does not exist if a publisher refuses to sell or license digital content to a library.

It's important to articulate why publishers have such reluctance to sell ebook content to public libraries. In sum, the overall theme that I hear from many publishers is that the digital world of ebook circulation lacks the overall presence of "friction" that made analog book circulation acceptable for most publishers. Library circulation "friction" is in essence the inconveniences that exist in distributing print books to our customers. The attraction of digital technology, which has led to the growing popularity of ebooks for consumers, is largely the result of the hyper-efficiency of the technology. The irony is that in order to gain great access to content, libraries are being asked to create inconveniences to preserve the economic models for authors, publishers and aggregators. This may seem counterintuitive but it may be the path we will have to pursue in order to gain access to more content from more publishers.

Andrew Burt, ebook publisher and CEO of ReAnimus Press ([www.ReAnimus.com](http://www.ReAnimus.com)), recently described how the lack of adequate friction discourages publisher participation with libraries:

1. **Libraries traditionally served a localized population – ebooks make global service possible.** Today, the very resource sharing models that we developed and the open-enrollment policy that some libraries have for issuing library cards has made publishers skittish. Hard copy books were confined to one geographic area – ebooks are virtual and available for downloads by anyone with a library card from a particular library. In theory, our Library of Congress could purchase one digital copy and share it with our

public or the world. Clearly the economics of this model destroy publishing and author royalties.

2. **It's more difficult to check out a physical book than an ebook.** A real effort must be made by the customer to check out a physical book. Time, effort, travel, willingness to wait for an available copy are all inconveniences that encourage some to purchase a hard copy rather than wait for an available copy from a public library. Some publishers argue that the ease of ebook downloading discourages purchasing.
3. **Physical books wear out; ebooks don't.** If we have permanent access to a single copy that serves multiple users, the economics are again greatly diminished for publishers.
4. **Physical books compete for shelf space; ebooks don't.** Public libraries have created grade-A space to warehouse books for our customers. Ebooks will not require that same investment in the future because virtual storage has almost no cost barriers today. Anecdotal observations suggest that today's library customers have many different behaviors from library customers of just a few years ago. Many of our customers browse online and use multiple discovery portals to identify desired content. Physical browsing in all but our new book areas seems to have declined dramatically in recent years.
5. **The borrowing pattern for physical books is well known; the "future of borrowing" for ebooks isn't clear.** What will the future hold? Who can accurately predict what our environment will look like in 5 years when looking back 5 years we could not have predicted the ubiquity of Kindles or iPhones? Legal challenges are bound to redefine the rules moving forward. How will new laws, new technologies and new customer expectations and behaviors change the ebook landscape? Just think about how iTunes revolutionized the music industry or how the early decision of some newspapers to provide free content on the web helped determine customer expectations for open access. Through OverDrive, we know that the one digital copy/one digital user model is working. Unfortunately, too many publishers remain skeptical and unwilling to aggressively invest in pilot models for libraries.

Without broad access to ebooks, the role of public libraries is bound to change significantly. At Columbus Metropolitan Library, our main purpose for more than 130 years has been to provide access to the broadest collection possible. Resource sharing strategies such as integrated library system consortia, interlibrary loan and library cooperatives like OCLC were predicated upon being able to obtain requested materials for our customers. Now, some of these attempts to reduce "friction" in the analog circulation model of public libraries are directly in conflict with the publishers' desire to add friction or deterrents for customers who wish to access ebook content from libraries. In the end, are we really still a library if we only provide 50% of the available ebook content to our users? How long will it be before public support wanes for public libraries if we only provide less popular materials?

I served as an advisor to the most recent Pew Internet & American Life Project: [Libraries, patrons and ebooks](#). Some of the findings of this national survey provide the basis for a strategic response from our profession. Key findings include:

1. 12% of readers of ebooks borrowed an ebook from the library in the past year. But a majority of Americans do not know that this service is provided by their local library.
2. Ebook borrowers appreciate the selection of ebooks at their local library, but they often encounter wait lists, unavailable titles, or incompatible file formats.
3. Library card holders are more than twice as likely to have bought their most recent book than to have borrowed it from a library. Many ebook borrowers purchase ebooks, too.
4. Library card holders use more technology, and they report that they read more books.

Like many of you, librarians in the U.S. are monitoring publishing and sales data to determine ebook strategy. Here are some of the marketplace data points that suggest how rapidly ebooks are gaining popularity in society. According to BookStats 2012, which describes itself as the most comprehensive annual survey of the size and scope of the U.S. publishing industry, in 2011 and for the first time, ebooks became the number one format for adult fiction. Also, in the overall trade sector (encompassing fiction and non-fiction for children, young adults and adults), ebooks' net sales revenue more than doubled in 2011 vs. 2010.

According to Pricewaterhouse Coopers, Global Entertainment and Media Outlook, ebooks will make up 50 percent of the U.S. trade book market by 2016.

According to PwC, here are the trajectories for ebooks spending through 2016, first in North America, Europe, Middle East Africa, Asia and Latin America. The second chart depicts the trajectory for Japan, South Korea, China and Australia. While the trajectory angles vary by country, we all can see that ebooks will continue to gain significant market share, and customer expectations and demands for ebooks will rise in libraries as well. The question is, if we are unable to deliver content, will customers leave libraries at an inverse trajectory?

### **Solutions for Success**

I may have painted a bleak picture. There's no doubt that our challenge in finding solutions that will work will take creativity, energy and most of all a sustained commitment by the international library community. Fortunately, I am beginning to see a coalescing of efforts that give me cause for hope. And since the ebook environment is so dynamic, there are new initiatives literally sprouting up each and every week. Let me share a few of the promising initiatives that may begin to move the marketplace in a direction that favors public libraries and the customers we serve.

Canada: eBOUND and the Canadian Urban Libraries Council

<http://culc.ca/news/post/RFI-Released-seeking-partners-for-better-eContent-for-Public-Libraries.aspx>

Canada's English-language publishing community (represented by eBOUND Canada) and Canada's public libraries (represented by the Canadian Urban Libraries Council - CULC) have issued a Request for Information to create a Canadian model for broader ebook access to library customers. According to this RFI, they are "working together for the creation of a made-in-Canada solution that, potentially, will provide ebook lending capabilities to all Canadian public libraries from Canadian publishers, with the opportunity for international publishers to join in."

According to this RFI, they will know they are successful when:

1. Canadian-owned and Canadian-controlled publishers can sell or lease their digital content directly and indirectly to public libraries, and
2. When Canadian libraries can purchase ebooks and digital content from multiple vendors of their choosing, and
3. When public library discovery layers seamlessly permit patrons to borrow and download content, without the appearance of leaving the library's site or using third party vendors, and
4. When digital content and print material are capable of being sold to members of the public through public library discovery layers, with local or preferred booksellers becoming an option for fulfillment where available, and
5. When all publishers have the capacity to market their digital content to public libraries, and
6. Libraries have the ability to merchandise that content through their discovery layers.

This model has a greater chance for pilot-testing in Canada as opposed to the U.S. due to a smaller test group comprised of the Canadian population. I congratulate our northern peers for the boldness and comprehensiveness of their approach and I hope we see results that are replicable in other countries.

In the UK, the Society of Chief Librarians issued an important position paper on ebook lending in libraries on August 1.

<http://www.goscl.com/scl-position-on-e-lending-in-libraries/>

The Society of Chief Librarians (SCL) is a local government association made up of the chief librarian of each library authority in England, Wales and Northern Ireland. According to this position paper, *the aim is to seek common agreement on what library ebook lending models will be and how we will operate, thereby encouraging more publishers to make UK content available for libraries to purchase or license. Since there have been concerns about the library role in providing ebooks for remote downloading, we are putting forward the following proposals and ways of operating to deal with the issues raised.*

Key position paper points include:

1. Licensing models
2. Library membership and access to ebooks
3. Digital rights management
4. Purchase or licensing models
5. Level of customer access
6. Fee or free
7. Models of access and remote downloading
8. The public library offer in the ebook marketplace

Like the Canadian effort, I'm encouraged to see a large-scale initiative that challenges the status quo in a major way. It is only through joining forces that we will ever begin to erode the barriers that have been erected to deter access for so many public library customers around the world.

### **Convening in Columbus**

On June 8, 2012, a group of U.S. public library leaders met at Columbus Metropolitan Library to discuss options for determining a strategy that will ensure public access to all commercial digital content (ebooks, audiobooks, etc.). Even though there is much work to be done with developing improved business to business relations, more seamless technology, and new business models, we focused our efforts on gaining access.

Our [recommendations and strategies](#) call for an umbrella advocacy strategy with attention to five subcomponent activities:

1. Public Education
2. Lobbying
3. Research
4. Coalescing Associations' Initiatives
5. Publisher/Author/Vendor Relationships

These activities could begin to address the following questions, to name just a few:

- How might we create a standardized national education program to explain the inequities of digital access to the general public?
- Should we actively engage in discussions with members of congress to educate them on the rapidly forming chasm between content haves and content have nots and the need to consider updating the First Sale Doctrine of our copyright law?
- How do we bridge and disseminate the ebook development efforts of national associations like the American Library Association, Urban Library Council, Public Library Association, and other initiatives by state library associations and entrepreneurial libraries?
- How do we expand upon the conversations between many public library leaders in our largest institutions (and those working in concert with library associations) and reluctant publishers?

## Conclusion

The good news is that these initiatives are starting to gain momentum. The bad news is that public libraries have been slow in getting to the table with publishers and with each other to formulate strategies for eliminating the content divide in our collections. And I've read articles by national leaders who are essentially giving up on finding solutions to provide the widest possible ebook access. While we all have pressing local issues and local priorities, I believe gaining universal access to commercial digital content – ebooks – is our top professional priority that bridges libraries and nations.

Finally, let me share two slides from our strategic planning process in 2011. In attempting to restate Columbus Metropolitan Library's purpose statement, we asked our 25,000 Facebook fans two questions:

1. Give us five words that describe a public library of your youth.
2. Gives us five words that describe a public library 20 years into the future.

We presented our results in a word cloud or "wordle," a method of showing the most frequent responses as the most prominent-sized type. Here are the results. In 2011, at least in our customers' eyes, ebooks did not play as important a role in the future of the public library. While I agree with the importance of community in the future (and I'm still amazed to think of the journey from book to community as the most important role of the library), maybe our customers were forecasting for us that we would not be players in the ebook future. While in the U.S. we like to say that the customer is always right, I hope through our national and international efforts to improve ebook access from all publishers, we will be able to prove that they were wrong.

Thank you.

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