



City of  
**Peterborough**

**To:** Peterborough Public Library Board of Trustees

**From:** Jennifer Zoethout, Library Manager/ CEO

**Meeting Date:** December 1, 2015

**Subject:** Report PPL15-018  
E-book Pricing

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## **Purpose**

A report to inform the Library Board on matters concerning the ebook prices.

## **Recommendation**

That the Peterborough Public Library Board of Trustees approve the recommendation outlined in Report PPL15-018 dated December 1, 2015, of the Library Manager/CEO, as follows:

That the Library Manager/CEO Report on E-book Pricing be received for information.

## **Budget and Financial Implications**

There are no direct budget and financial implications resulting from approval of this report, at this time.

## **Background**

In July 2009, Southern Ontario Library Service (SOLS) and Ontario Library Service-North (OLS-North), with the support of provincial funding, entered into an agreement with the company OverDrive to provide downloadable audiobooks to select Ontario public libraries. At this time, OverDrive was the only company on the market that provided access to downloadable audiobooks for libraries.

Public libraries serving less than 100,000 people were eligible to join. A core collection would be available to all libraries but each individual library could purchase its own supplementary titles for its patrons to access. The additional fee would be proportional to each library's population base (this fee would later take use of the collection into consideration). In late 2009, the Peterborough Public Library joined the consortium. As of 2015, there are just over 200 Ontario libraries participating.

### **Initial Period**

In November 2010, ebooks began to be added, and use of the collection grew substantially. However, there were some challenges with content availability and access as the collection was still relatively small and loan periods were restricted to two weeks. The service was also launched primarily as a one copy/one user model and is not an unlimited access model.

In 2010, Peterborough Public Library had 4,563 audiobooks and 199 ebooks checkouts.

In 2011, there were 9,109 audiobook and 5,959 ebook checkouts. Content availability became a concern as some large publishers refused to sell directly to libraries (e.g. Penguin, Macmillan, Simon & Schuster, Hachette and Brilliance Audio).

The chief reason to limit the sales was said to be due to security/piracy concerns. This affected the library's ability to provide certain in-demand titles to its patrons. By 2014, these publishers reversed their decision to not sell to libraries later but instituted restrictions.

The demand for ebooks continues to be strong, and the average waiting period has increased. The current average waiting period for a Peterborough Public Library user is approximately 19 days (up from around 14 days two years ago).

In an effort to reduce the waiting period for Peterborough Public Library patrons, the library purchases copies of titles for its own patrons to access exclusively. The current target is to purchase one copy for every five holds. This works well with patrons who are interested in reading bestsellers; however, for those patrons who wish to read more widely, or have specific subject interests, waiting periods can be much longer. It can also be problematic for patrons who expect immediate access to an electronic title and are unwilling to wait.

### **Increase in Costs**

In 2011, the average cost per title was \$18.16. In 2012, the average cost was \$21.20 - an increase of 18%. These costs cover all publishers, large and small. However, the costs charged to libraries by the top five ebook publishers have been quite drastic, especially in comparison to what consumers pay. For example, a bestseller published by Random House is listed at \$14.99 for consumers and \$85.00 for libraries. Hachette may charge the consumer \$14.99 for a title and charge libraries \$110.00. The

competition bureau in Canada recently ordered publishers to limit the charges to consumers but this did not extend to libraries.

Another matter of concern for libraries is the limitations that some publishers place on access to their titles. Unlike a print book, the library does not own the ebook. Rather, the library is paying a fee to have access to it. This access may also have time limits that are set by publishers. Access to a copy may be for only as long as the library remains part of OverDrive or for a very specific period. For example, Macmillan permits a copy to be accessed for 52 checkouts or 24 months (whichever comes first); Penguin and Simon and Schuster permit access to a copy for 12 months; Harper Collins permits access for 26 checkouts; and Hachette and Random House permit access for as long as the library is part of OverDrive. The limitations in access are not only problematic in terms of actual cost but also in terms of staff time needed to manage the collection. Staff responsible for purchasing initial access to these titles need to monitor them closely as they expire at different times during the year. Decisions then have to be made to re-purchase access to them.

In 2011, the library spent \$21,600 US dollars of the collection budget on purchasing access to OverDrive ebooks and audiobooks for its patrons. In 2015 (to mid November) \$34,746 US dollars has been spent. The lower value of the Canadian dollar has also been a disadvantage. The increase in allocation of the collection budget to ebooks impacts how much is allocated for other collection formats as well as for other digital services. The current trend in library collection budgets is showing a decrease in spending on print books and periodicals. In the overall publishing sector, book sales continue to decline and ebook sales have slowed.

In addition, as a response to the increase in users of the collection and due to increased publishers' prices, in 2014, consortium access fees increased from \$7,000 to \$10,000 for Peterborough Public Library.

In addition, SOLS implemented limits on the number of ebook titles that would be purchased for the collection and recommended that libraries purchase high demand copies for their own patrons to ease the waiting lists.

## **Other Vendors**

OverDrive is the primary library vendor in the ebook market and over the years other vendors have attempted to make in-roads. Unfortunately, the quality and range of the ebook and audiobook titles, the overall platforms, training and marketing content that is offered by these companies pale in comparison with OverDrive. The closest competitor is Recorded Books in its downloadable audiobook platform, OneClickDigital. The library currently subscribes to this service and is working to promote it to patrons but it can be a challenge to convince some to make a conversion from OverDrive or to use different platforms. Having multiple electronic platforms with different modes of access can be a challenge as growing electronic collections become splintered. OverDrive also offers music and film but the quality is not very good. This has led the library to offer other

options to patrons such as Freegal Music and is currently looking at a service called Hoopla Digital.

### **Current Situation**

At present, libraries are experiencing difficulties meeting the current demand for ebooks. Until publishers' costs and access restrictions are eased, long waiting periods will continue for patrons. However, if the current trend reflects a stabilization of the ebook marketplace, then this problem *could* be short-term.

There has been a recent effort of libraries and library associations to form a coalition called *Canadian Public Libraries for Fair Ebook Pricing*. It is attempting to raise public awareness of the high prices and restrictions that some publishers impose on libraries. On a broader level, these restrictions have an overall impact on universal access at public libraries.

Many smaller publishers have provided their content with reasonable costs and access periods but the larger ones have not. In an effort to propose a compromise, Toronto Public Library has come up with a "hybrid" purchasing model: the library could purchase a number of copies of a title at a un-discounted price with permanent access to those copies in addition to purchasing a larger number of copies of the same title at a discounted price with time-limited access to those copies.

On another level, the depth and breadth of the ebook content now available at the library has enabled patron access that would otherwise be unavailable to them in print form. The OverDrive shared collection presently contains over 65,000 titles. This has been to the benefit of patrons who enjoy the electronic format. Waiting lists have been frustrating for some.

At the same time this situation has led some patrons who read only the print format to decry that the library is decreasing its physical print collections. Public libraries are still experiencing a period where a balance between the needs of the electronic user and the print user still need to be met. Some nonfiction print collections have been reduced due to lack of use and others, such as fiction have remained more stable. It would be a challenge both in terms of cost and staff time to offer every title in all formats. That being said, most of the electronic items that are in the collection exist because the library lacks the physical shelf space to accommodate all of the print versions. In addition, in some cases the print versions are out-of-print or they are only available electronically.

Within the next few weeks, the library will soon be able to use a new collections' analysis tool called *CollectionHQ*. This program will not only show the library what specific collections need to be expanded and which ones need to be reduced, it will also allow the library to see what other libraries' collections hold. This tool will help the library make more refined decisions about collection budget allocation.

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