

The logo for 'ekz bibliotheks service' is displayed on a white sign in the background. It features a red colon followed by the lowercase letters 'ekz' in a bold, sans-serif font, with 'bibliotheks service' in a smaller, lowercase font below it.

:ekz  
bibliotheks  
service



*Herzlich  
Willkommen*

# eContent Success Factor for Libraries and Publishing Houses

Dr. Jörg Meyer

Athens, 7th of March 2012.

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# Structure of presentation

- Overview of German eBook market
  - Consumer behaviour
  - Technical information
  - Market in 2015
- Libraries and eLending
  - Overview of libraries – some statistics-
  - eLending in public libraries (DiViBib Model)
  - How „Onleihe“ works
  - Facts and figures
    - Business figures
    - Statistics
    - Pricing
- The perspective of the publishing houses
  - Actual situation
  - Overview of licencing models
  - USA: ALA vs major publishing houses
  - Germany: dbv / ekz vs publishing houses
- Extraction of the success factors



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# Overview of German eBook Market

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## Background: German eBook market in 2010

- 4 Mio. ebooks sold = 1 % of customer book market
- 16 % of total turnover in publishing expected in 2015
- Available now are approx. 20,000 titles (Libreka)
- Only 35 % of publishers offer eBooks;  
80 % want to offer eBooks in the coming years
  - Approx. 40 % of new titles as eBook
  - ePUB will be common standard
  - DRM most likely as standard protection

Studie Börsenverein gemeinsam mit GfK Panel:  
„E-Book-Studie“ (angelegt auf 3 Jahre, 1. Ergebnisse März 2011)

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## Background: German consumer behaviour



- 54 % of all Germans consider buying eBooks
- 81 % of the younger than 30 years

They are interested in

- Scientific textbooks (28%)
- Travel guides (28%)
- Advice books (27%)
- Non-fiction (26%)
- Fiction (14%)

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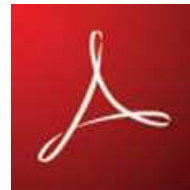


# eBooks and eReader: Technical information



- Different data types

- PDF
- ePub
- Mobipocket
- AZW of Amazon



MOBIPOCKET  
Reader

- Big choice of eReaders (1)

- Ink-based eReaders

→ Kindle of Amazon (AZW, Mobipocket, txt, and other)

→ Sony Reader (ePub and other)

→ Acer Lumiread of Libri (and other)

→ Medion Oyo of Thalia (ePub and other)

→ Aluratek Reader of Weltbild (ePub and other)

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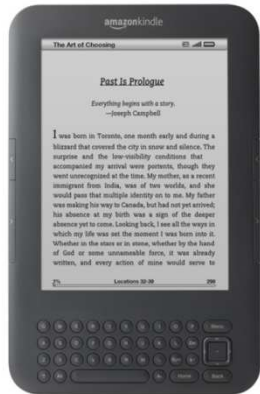
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# Examples of eReaders



Kindle



Sony Reader



iPad



iPhone



Hanvon E-Ink Colour



Samsung Galaxy Tab



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# Format PDF vs. ePub



# Marketgrowth eReaders and Tablets

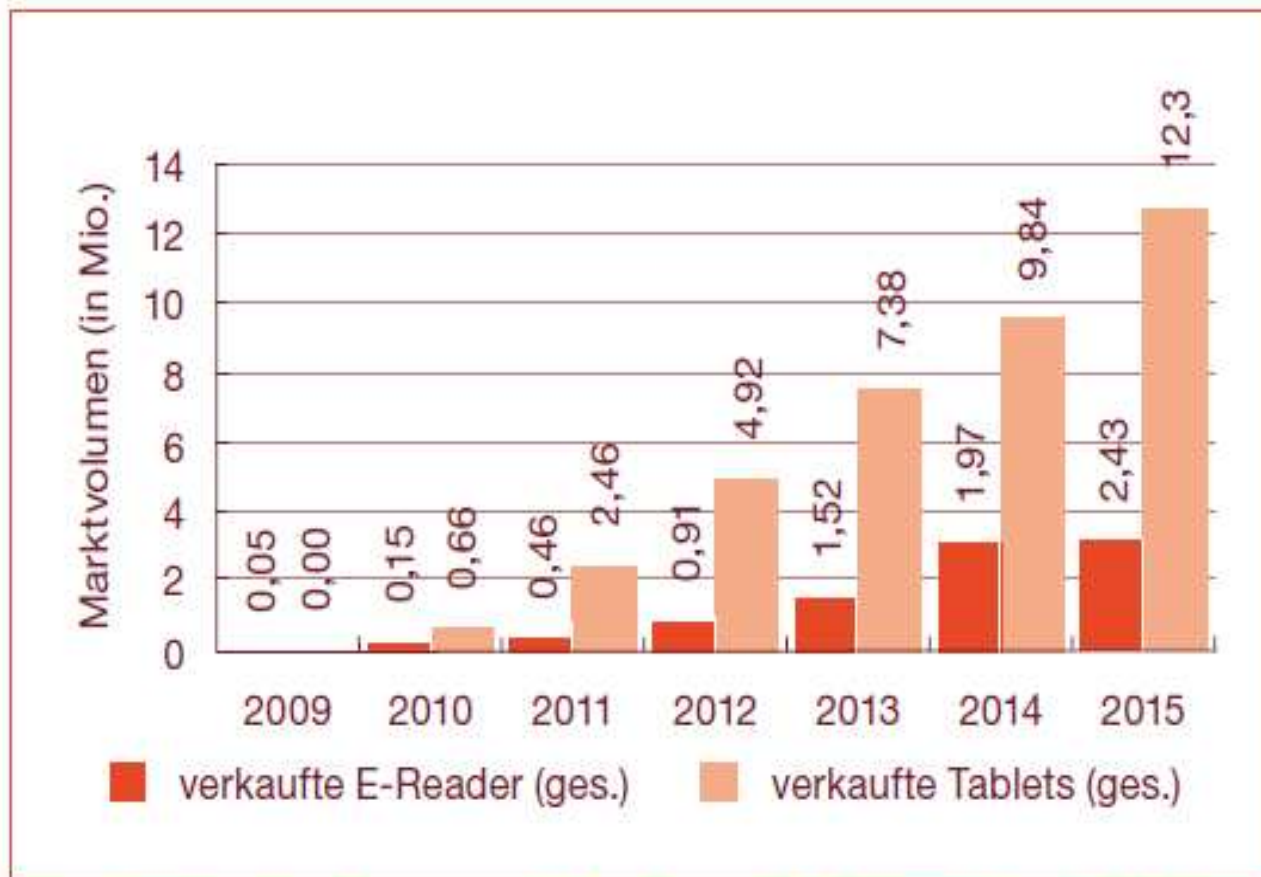


Abb. 27 Marktvolumen von E-Readern und Tablets in Deutschland im Vergleich

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# Libraries and eLending

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## Background: German public libraries

- 82 Mio. inhabitants
- 10,021 public libraries  
(4.500 professional managed)
- 660,000 patrons visit our libraries each day
- 10,82 Mio. readers are registered as library users
- 200 Mio. patrons visit our libraries each year
- 362 Mio. media units are held by our libraries
- 466 Mio. media units are borrowed by users/year



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# eLending in Germany public libraries

## → DiViBib GmbH



- Founded in 2006, DiViBib started in 2007 with 4 pilot libraries
- Subsidiary of ekz.bibliotheksservice GmbH
- Offers complete service with all components: implementation of online platform as digital library branch
- Internet based service without installation needed
- Technical support for running services
- Negotiation of licences and distribution of digital contents
- Subject indexing and delivery of catalogue entries in MAB2

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## Business figures

- No. of employees: 20
- Investment: 2,5 Mio. EUR.
- Shareholders: ekz (51 %) / Holger Behrens (49 %)
- Model: Overdrive (USA)
- International: Switzerland, Italy, Austria, Norway (2012)
- Financing: 100 % private, no subsidies
- Positive operating earnings since 2010



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# Easy to use circle / How „Onleihe“ works



Einfach in Ihrer Stadtbibliothek nachfragen - Anmelden und onleihen!

„Wie funktioniert eine Onleihe?“

[www.Onleihe.de](http://www.Onleihe.de)



## Suche

Suchen Sie im Katalog Ihrer Stadtbibliothek (OPAC), über die in jede Onleihe integrierte Volltextsuche oder über die Kategorienangebote der Onleihen. Finden Sie die gesuchten Titel im Angebot Ihrer Bibliothek - unabhängig von Öffnungszeiten oder Ort.



## Medienauswahl

Wenn Sie die ausgewählten Titel in Ihren Bibliothekskorb legen, sind diese 30 Minuten für Sie reserviert. Egal ob Spielfilm, Fachbuch oder Opernmitschnitt.



## Rückgabe

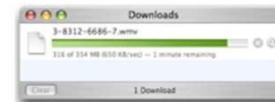
## Medien nutzen

Hören Sie während der Ausleihfrist Musik und Hörbücher, sehen Sie Filme und lesen Sie E-Books oder E-Paper so oft Sie wollen. Genießen Sie die Bequemlichkeiten Ihrer Onleihe.



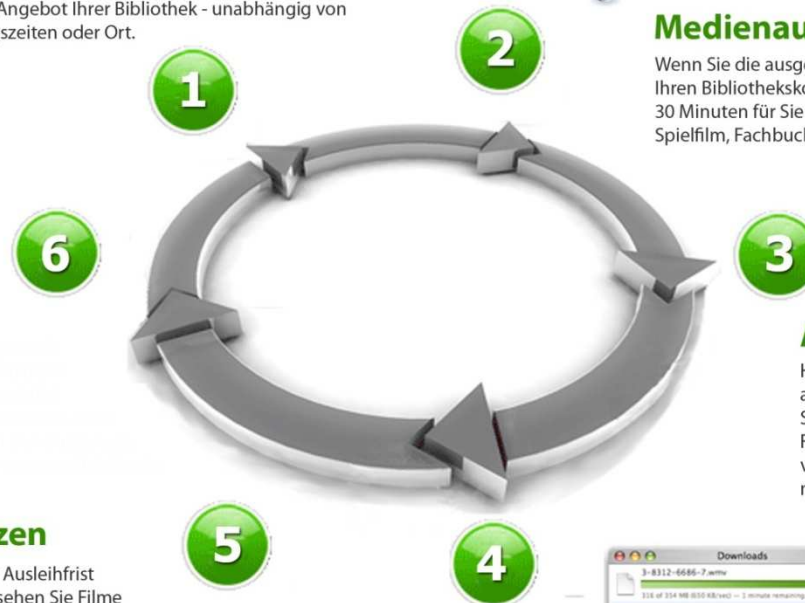
## Ausleihe

Jetzt können Sie die digitalen Medien ganz einfach per Mausklick auf Ihren Computer laden. Und nun können Sie beginnen – Nutzen Sie sofort und unkompliziert alle ausgeliehenen Titel.



## Anmeldung

Haben Sie sich ausführlich informiert und alles, was Sie brauchen gefunden? Dann melden Sie sich jetzt mit Ihren Nutzerdaten an. Für noch nicht registrierte Benutzer bieten viele Onleihen kostenlose Schnuppermitgliedschaften an!



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**bibliothek digital**  
Immer und überall

7th of March 2012

## How it works

1. Visit homepage of local library
2. Browse digital content (format, topic, full text)
3. Put interesting materials into library basket
4. Log-in with personal data before borrowing
5. Download items to PC/eBook reader
6. Library determines length of lending /  
No. of items



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# Media selection

## Formats and software



eBook



eAudio



eMusic



eVideo



ePaper

### eBooks, ePaper

- Pdf format / Adobe Reader
- ePub / Adobe Digital Editions

### eAudio, eMusic

- WMA format / Windows Media Player

### eVideo

- WMV format / Windows Media Player

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# Developments in the digital realm



"Real" Internet everywhere

- Since April 2011: Apple App
- Since July 2011: Android App for eBooks in ePub format



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## Some statistics: libraries using „Onleihe“



- Offered by 400 public libraries in Germany, Austria, Switzerland, Italy, reaching 30 Mio. people, 3 Mio. patrons (30 %)
- Individual or consortia purchasing
- 2.0 Mio. downloads in 2011
- 20,000 media units offered

ePaper/eMagazine: 8 subscription packages/ 19 magazines

eBooks: 15,000

eAudio: 4,000

eVideo: 700

eMusic: 350



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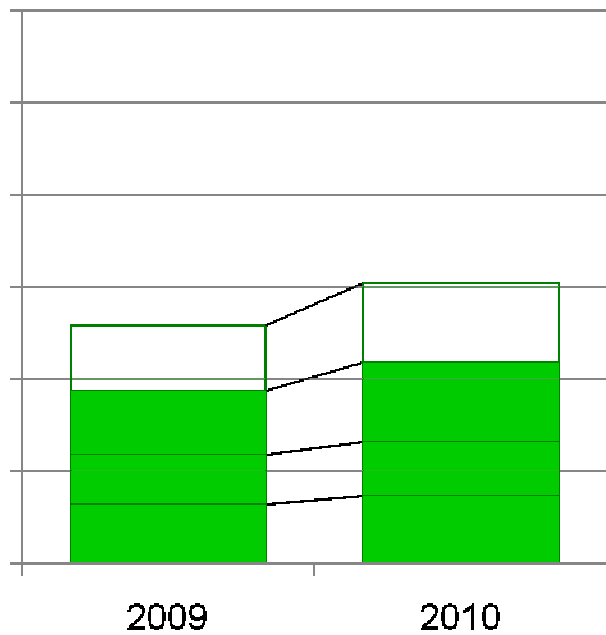
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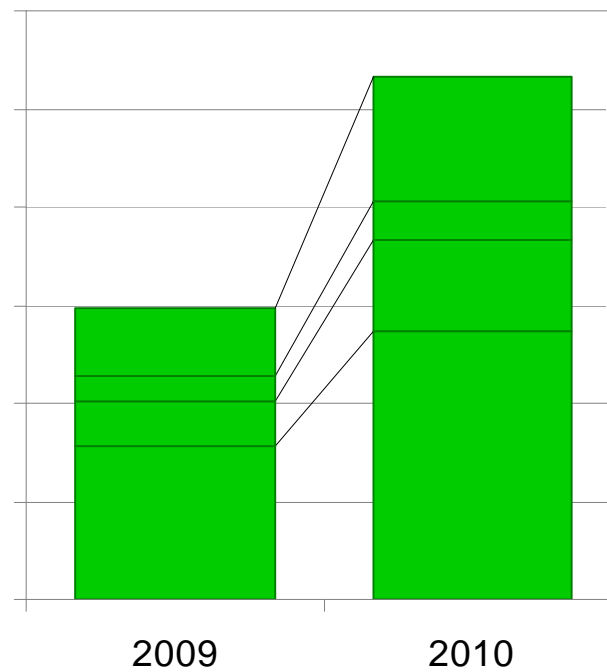
# Ratio Collection vs. Loans



## ■ Collection



## ■ Loans



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# Pricing for individual „Onleihe“



	Section I (more than 400,000 habitants)	Section II (Between 100,000 and 400,000 habitants)	Section III (up to 100,000 habitants)
<b>Set up cost</b> plus VAT	10,600 €		5,800 €
<b>Basic supply</b> (approx. 5,000 to 25,000 items), incl. VAT	50,000 – 60,000 €		15,000 – 35,000 €
<b>Monthly extension from the beginning</b> – suggestion x % of yearly media budget, incl. VAT	3 – 5 %		3 – 5 %
<b>Operating costs</b> Monthly, plus VAT	1,060 €		580 €

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# Pricing for consortia „Onleihe“



	Section I (more than 400,000 habitants)	Section IIIa (50,000 – 100,000 habitants)	Section IIIb (up to 50,000 habitants)
<b>Set up cost</b> (total min. 7,500 €), plus VAT	3,000 €	1,500 €	1,000 €
<b>Basic supply</b> (total min 25,000 €), incl. VAT	10,000 €	5,000 €	3,000 €
<b>Monthly extension from the beginning – suggestion</b>	5 % of yearly media budget, incl. VAT	5 % of yearly media budget, incl. VAT	5 % of yearly media budget, incl. VAT
<b>Operating costs</b> Monthly, plus VAT (total min. 500 €)	300 €	150 €	100 €
When joining an existing consortia afterwards set up costs rise by 1,000 € and min. costs are omitted.			



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# The perspective of the publishing houses

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## Problems with publishers

### Often no library licence for most popular titles due to:

- Search for strategic business model
- Lack of authors rights
- Limited experiences with eBooks
- Limited knowledge of consumer behaviour
- Loss of profit on books bought but never read
- Fear of private copies being sold in a consumer market of “used” eBooks
- Current business model: one digital copy to one reader at a time (the only working solution for public libraries)



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## A short overview of licencing models



### Single-Buy (Pick & Choose), types:

- With or without minimum purchase
- As a Single-User-Purchase Option (SUPO) (100% of the price)  
or
- As a Multi-User-Purchase Option (MUPO) (150% of the price)

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## Packaging of themes and / or titles



- MUPO:  
unlimited simultaneous  
access / campus licence
- FTE-based, e.g. of Springer



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## Bundling of formats



### Bundles

- Printed books and eBooks are offered as a bundle for approx. 140 % of the price of the printed book, e.g. de Gruyter
- Different formats are offered, e.g. PDF and epub of publisher O'Reilly

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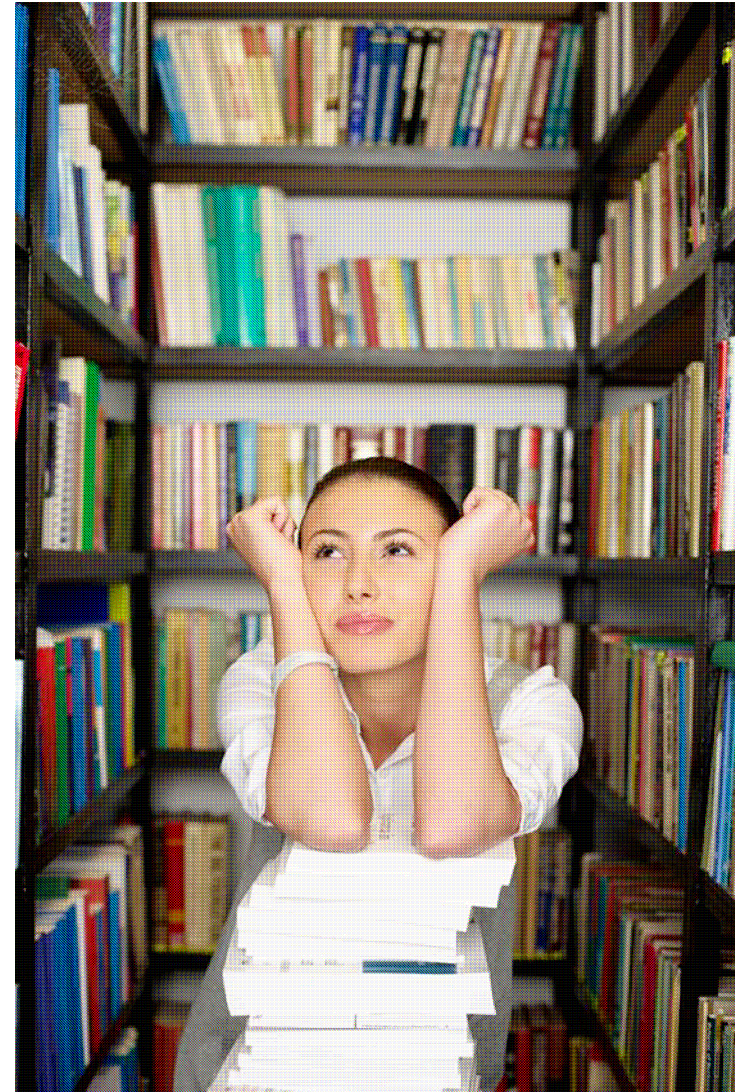
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## The heaven for libraries

### Patron-Driven-Acquisitions (PDA)

- The library offers all (or a selection of) titles to the patron
- Only after using (reading of e.g. 10 pages, copying, printing or after a use of min. 10 minutes) the title will be bought.
- Available as SUPO or MUPO



# Patron-Driven-Acquisitions (PDA)

## Advantages for libraries:

- Libraries can offer more titles.
- The patron has a bigger choice and more positive hits.
- Every bought title will at least be used one time.
- Library budgets get conserved.



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## STL Short Term Loan model

- As an extended using version of PDA
- Range of STL between 1 and 7 days
- After a x-time (often 3times) loan, the next use generates the purchase of the title



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## USA: ALA met with major Publishers → Nothing changed (2012/02/10)

- Random House is still going to overcharge libraries (recently announced an increase of 200%)
- Harper Collins is still going to restrict the number of checkouts
- Hachette is still going to keep their frontlist out of libraries
- S&S, MacMillan and Penguin will continue to refuse to sell to libraries at all

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## Germany:

- dbv wants to start talks with börsenverein (2012/03/27)
- DiViBib increases No. of contracts with publishers with SUPO-Model (Status Quo)
- ekz starts negotiating with Random House regarding other models (MUPO, PDA, Packages etc.) on 2012/03/21
- Fixed eBook price is regarded as a helpful frame
- But:.... 01st March 2012, Holtzbrink and Bertelsmann (Avarto) start „Scoobe“ as a lending portal.
  - 2 E-Books per Month, 9,99 EUR flat.



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# Extraction of Success Factors or problems to be solved

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# Handwritten: ...blic libraries

Licence models:

- Single Use
- Multiple Use
- Hard / Soft DRM

Outlook Publishers:

- Publishing industry: high investments, but with cheaper eReaders and more titles
- BIG Business

Reality in Libraries:

- Administrations and budgets do not keep up with the technical development
- For data protection reasons no user profiles, less attractiveness

Business models:

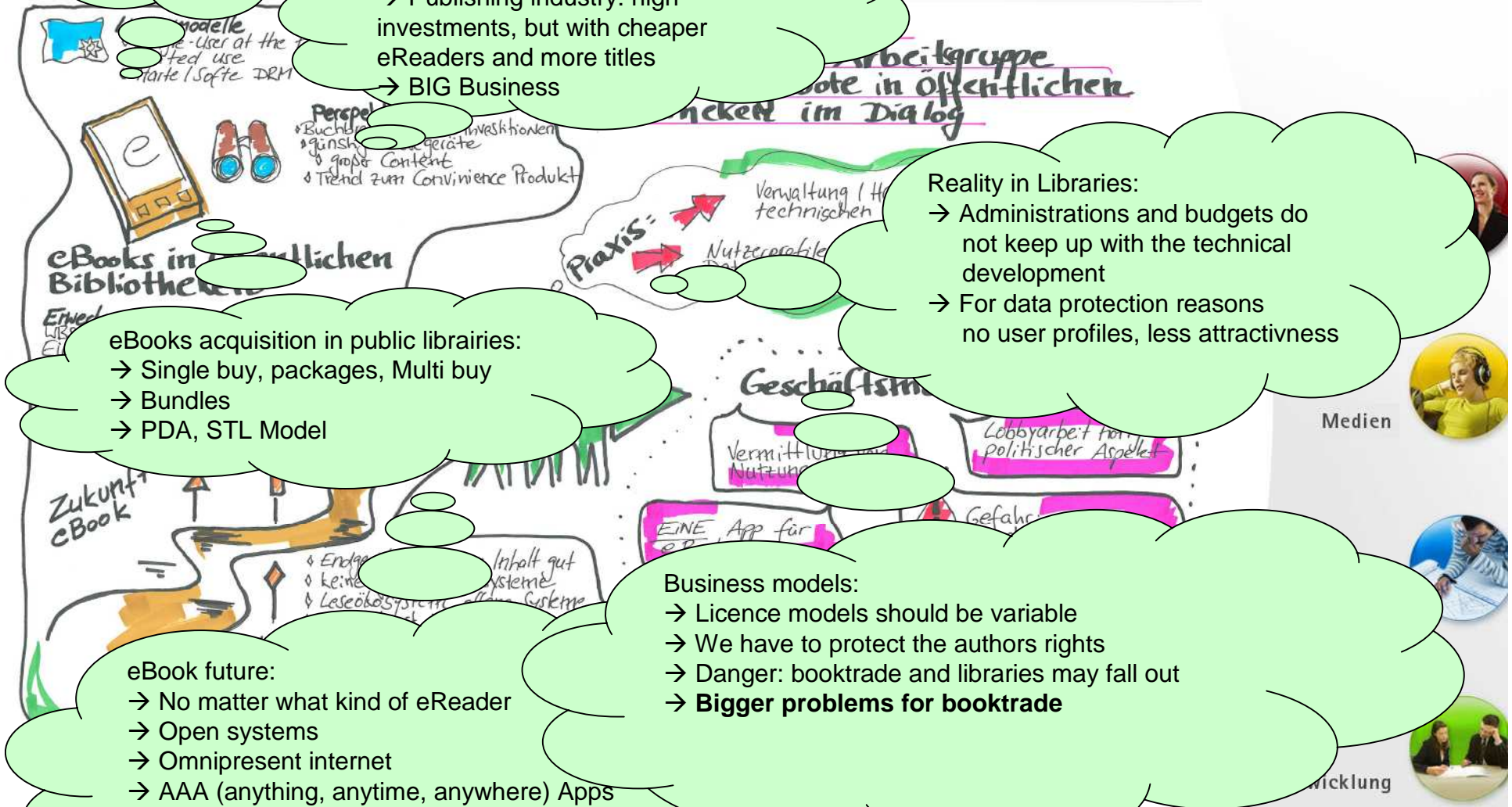
- Licence models should be variable
- We have to protect the authors rights
- Danger: booktrade and libraries may fall out
- **Bigger problems for booktrade**

eBooks acquisition in public libraries:

- Single buy, packages, Multi buy
- Bundles
- PDA, STL Model

eBook future:

- No matter what kind of eReader
- Open systems
- Omnipresent internet
- AAA (anything, anytime, anywhere) Apps
- Cloud technology



## Some Librarians think radically



Libraries are screwed!

...if libraries didn't exist, it wouldn't be allowed to create them... <http://youtu.be/KqAwj5ssU2o>

Eli Neiburger

- **Forecast (USA):**

In a few years, 25 to 50 % of all titles are published as eBook.

- Mobile reading follows mobile computing.

- Publishers want to protect their „old economy licence model“, patrons and users want free and unlimited access to eMedia.

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## Eli Neiburger may be right, but....



**The best way to forecast the future,  
is to shape it.**

Willy Brandt

**:ekz**

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Thank you very much for your attention!

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