Helsinki 23.10.2012

MLOL.it

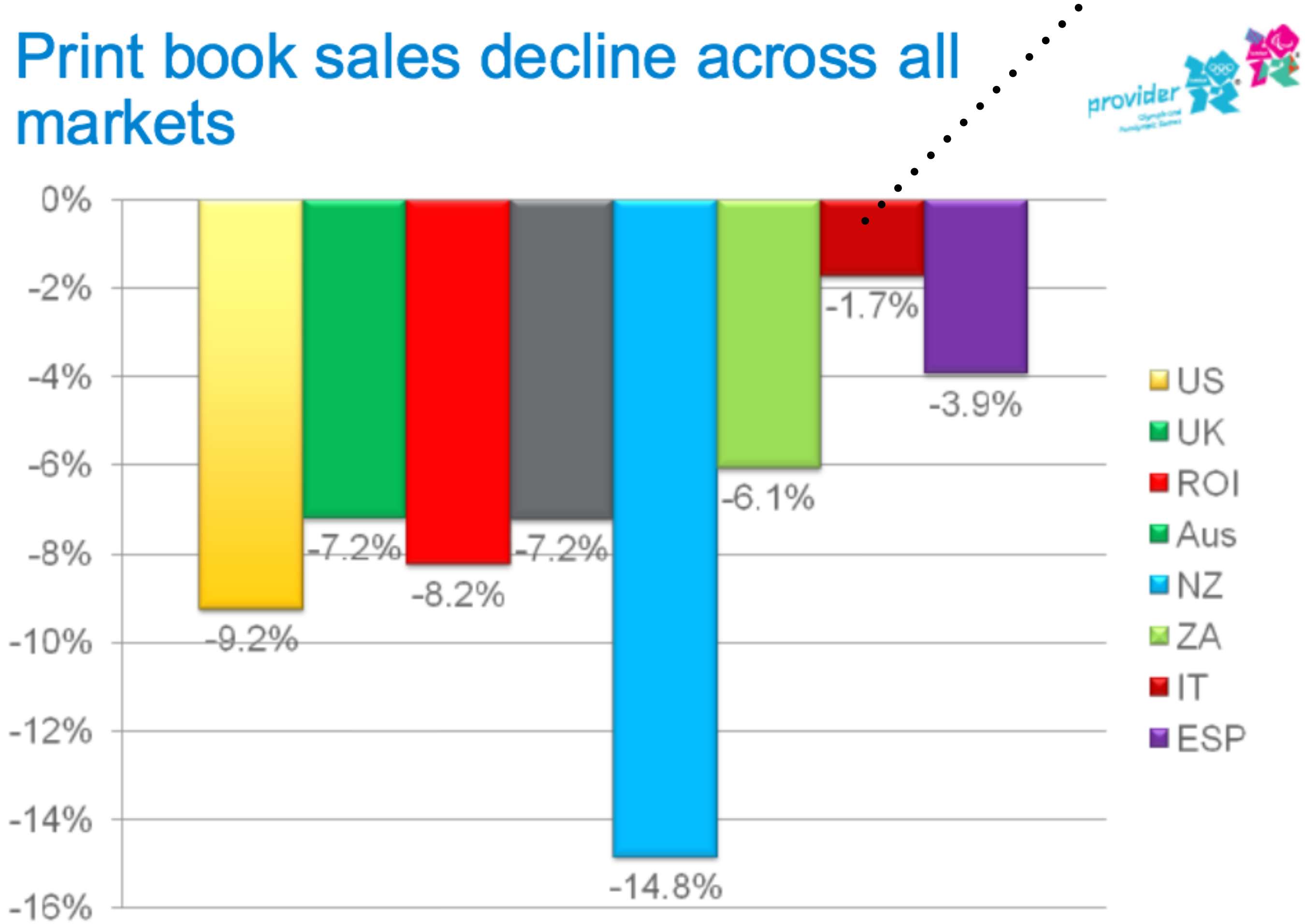
Business Models for E-Book Lending in Libraries

Giulio Blasi

Horizons Unlimited srl, Bologna - Italy | blasi@horizons.it

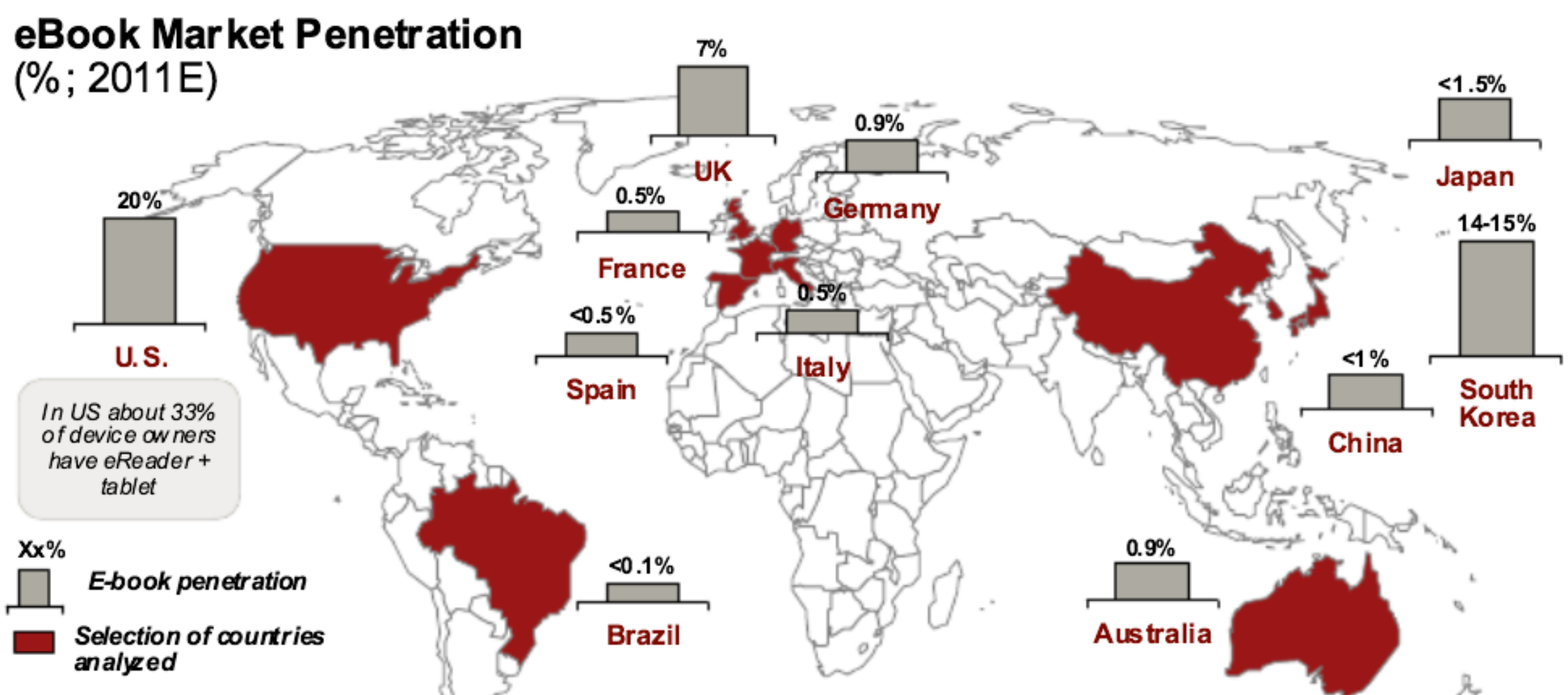
a global crisis in the publishing sector

-4,6% in 2011



Source: Nielsen 2011

the e-publishing context



Drivers as of 2011	USA	Brazil	Australia	Japan	China	UK	Germany	France	Italy	Spain
Availability of titles in local language	2,700,000	8,000	400,000	50,000	270,000	400,000	80,000	60,000	15,000	15,000
Tablet Penetration (mln; %)	40	0.5	0.8	2	7	2.7	2.65	1.8	0.7	0.6
	20%	<0.5%	4%	1.6%	0.5%	4.4%	3.2%	2.9%	1.2%	1.8%
eReader Penetration (mln; %)	40	n.a.	n.a		7.8	3.0	0.5	0.1	0.14	0.4
	20%			<0.1%	0.6%	4.9%	0.6%	0.2%	0.25%	0.8%

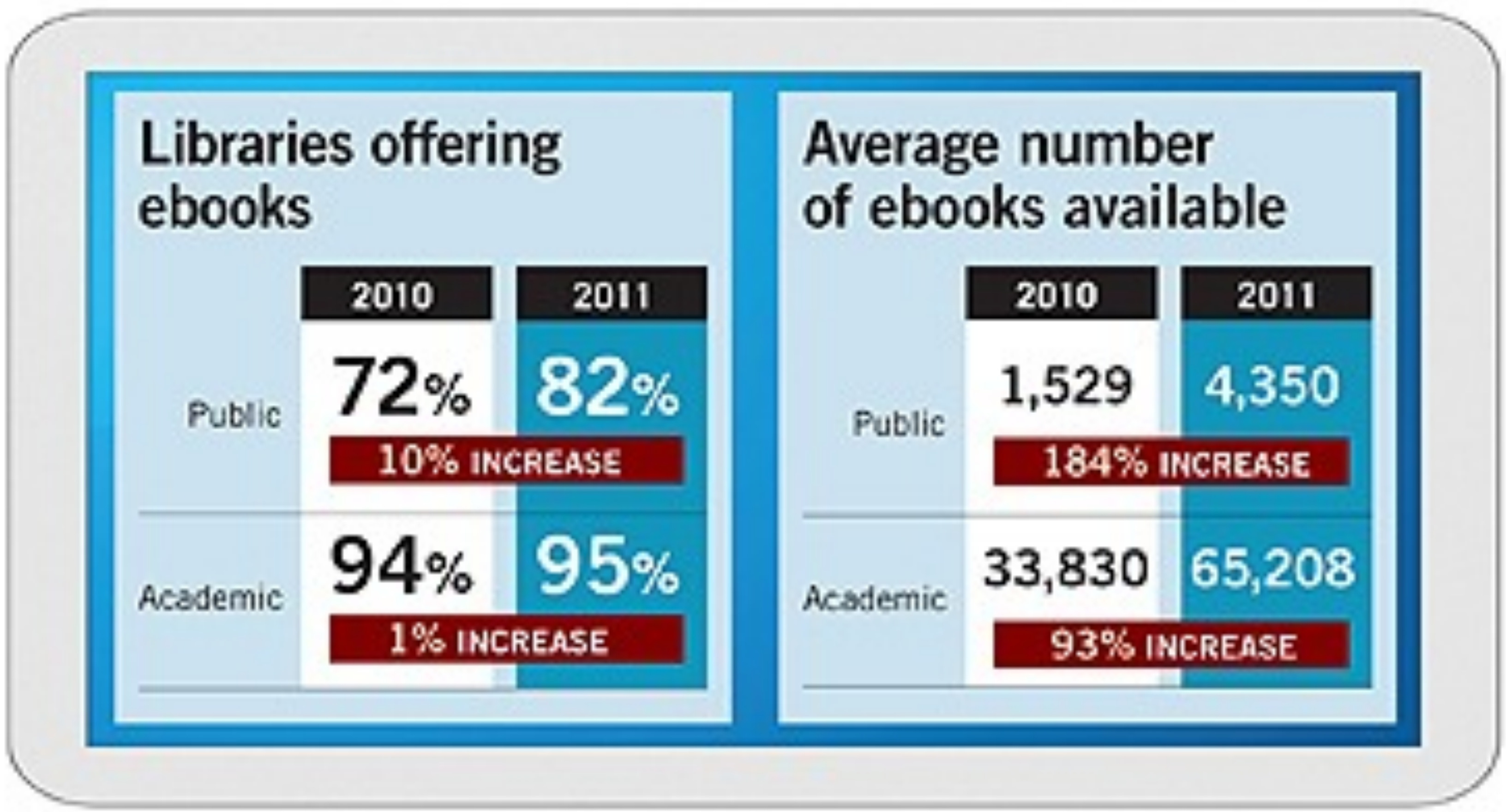
Source:
A.T. Kearney
2012

The Italian Book Market 2009-2011

		2009		2010		2011	
	Libreria	1.068.000.000	2,5%	1.095.000.000	2,6%	1.061.000.000	-4,2%
	Gdo	261.000.000	3,9%	269.000.000	3,0%	220.800.000	-17,9%
	Edicola*	19.500.000	2,6%	20.000.000	2,6%	18.000.000	-10,0%
	Altre forme di vendita al dettaglio**	21.900.000	5,2%	23.000.000	5,0%	21.000.000	-8,7%
	Librerie on line e vendite tramite Internet	101.200.000	13,9%	126.000.000	24,5%	144.000.000	+14,2%
	e-book (stima)	1.068.000		1.500.000		12.600.000	740,0%
[a]	**Totale**	**1.472.668.000**	**3,5%**	**1.534.000.000**	**4,2%**	**1.477.400.000**	**-3,7%**
[b]	Libri scolastici di adozione	667.000.000	-1,4%	648.000.000	-2,8%	649.244.000	+0,2%
[c]	Libri venduti in bookshop museali e mostre	23.580.000	-10,0%	25.000.000	6,0%	20.000.000	-20,0%
[a+b+c]	**Totale**	**2.163.248.000**	**1,6%**	**2.207.500.000**	**2,0%**	**2.146.644.000**	**-2,7%**
	Rateale	213.400.000	-20,4%	181.000.000	-15,2%	168.000.000	-7,1%
	Vendite per corrispondenza	120.000.000	-10,0%	115.000.000	-4,0%	105.000.000	-8,7%
	Book club	75.000.000	-5,3%	76.000.000	-	70.000.000	-7,8%
	Vendite dirette a biblioteche (b2b)	45.000.000	-4,4%	43.000.000	-4,4%	44.000.000	+2,3%
	Export di libri italiani all'estero	42.000.000	2,2%	41.800.000	-0,5%	42.000.000	0,5%
[d]	**Totale**	**495.400.000**	**-12,3%**	**456.800.000**	**-7,8%**	**429.000.000**	**-6,1%**
	Collezionabili: fascicoli in edicola	161.100.000	-31,5%	152.950.000	-5,0%	125.419.000	-18,0%
	Editoria elettronica (cd-rom, Dvd rom)**	264.480.000	-24,0%	214.229.000	-19,0%	182.523.000	-14,8%
	Editoria elettronica: banche dati e servizi Internet	97.810.000	29,9%	125.600.000	29,9%	150.700.000	+19,9%
	Libri usati a metà prezzo	95.000.000	12,3%	110.000.000	12,3%	130.350.000	+18,5%
	Non book	50.500.000	24,1%	64.200.00	27,1%	76.077.000	+18,5%
	Ricavi e vendite (b2b)	80.000.000	-6,8%	76.500.000	-6,8%	69.000.000	-9,8%
[e]	**Totale**	**748.890.000**	**-13,8%**	**743.479.000**	**-0,7%**	**734.069.000**	**-1,2%**
[a+b+c+d+e]		**3.407.538.000**	**-4,3%**	**3.470.779.000**	**0,5%**	**3.309.713.000**	**-4,6%**

Source: AIE 2012

e-books in US Libraries…

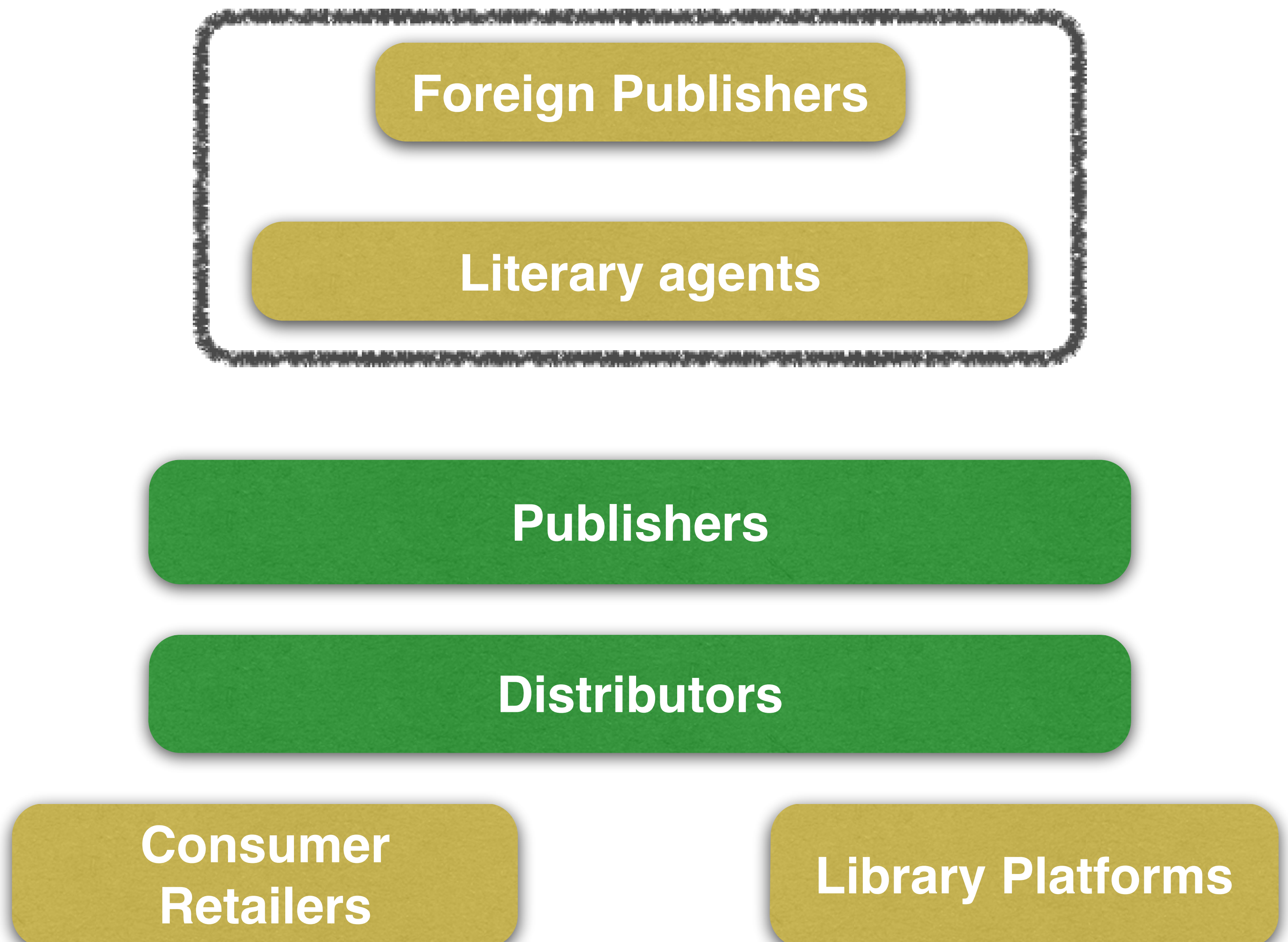


Source:
Library Journal
2012

Library Journal's Survey 2012

- 90% of Public Libraries offer e-books, 35% of those that don't are planning to offer them
- average circulation has dramatically increased in the last 3 years (5.000/2009, 11.000/2010, 44.000/2011)
- average dimension of e-book collections increased from 1.500 (2010), 4.350 (2011) to 10.000 (2012)
- The most active age group accessing library econtent is the 35 to 44 range, followed closely by 45 to 54.

the e-book industry structure in Italy



the e-book distribution in the italian public libraries

Digital Distributors

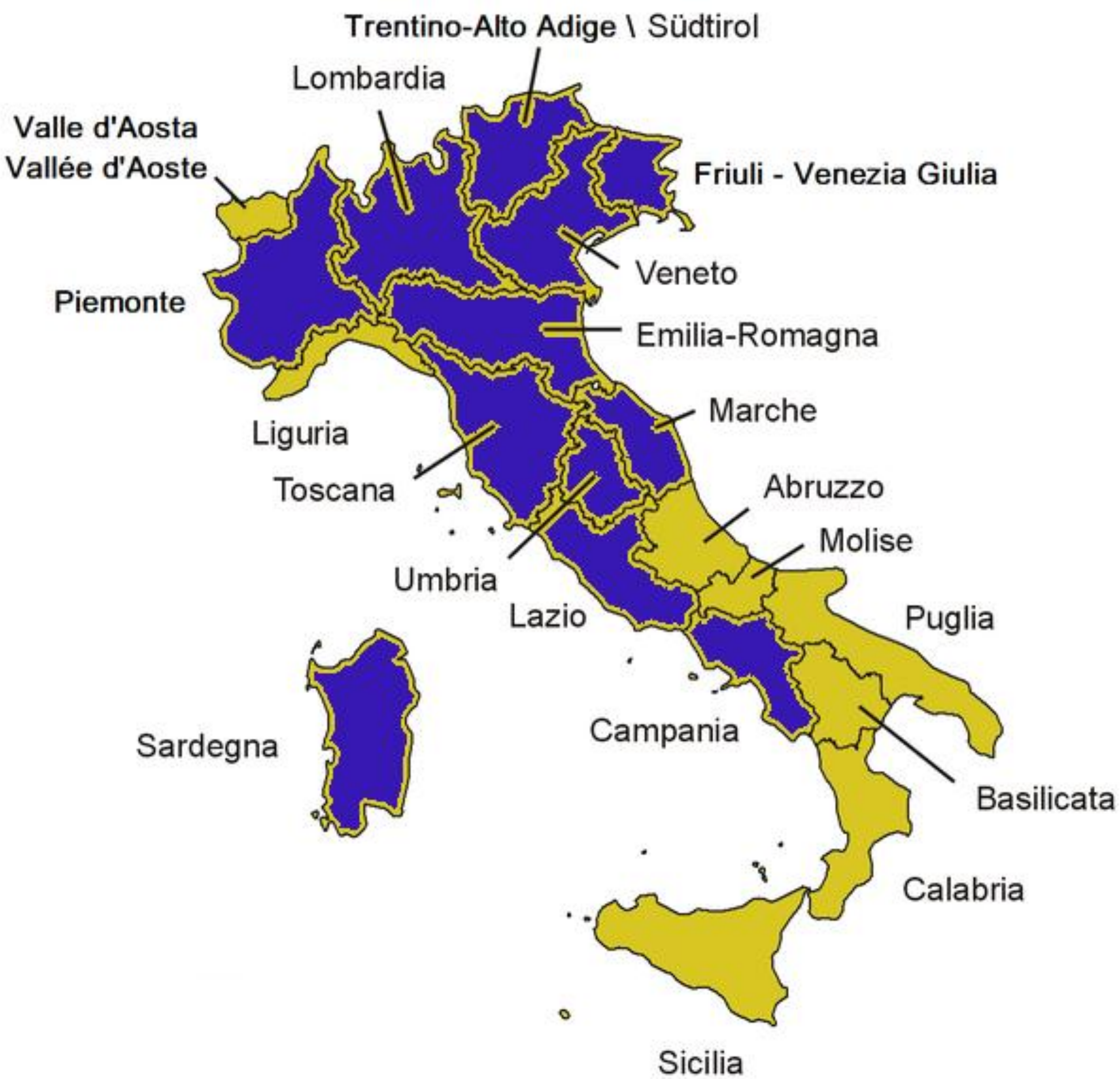
- Edigita, Bookrepublic, Casalini Libri, ~~Mondadori, Simplicissimus~~

they have no native front-end, third-party aggregators are essential

Library Platforms

- MLOL (Edigita, Casalini, Bookrepublic)
- DM (Edigita)
- Overdrive (...)

MLOL in Italy



Regions where MLOL is present
Other Regions

MLOL Network

- 2.300 libraries in 12 Regions
- 3 Foreign Countries (CH, SL, JP)

mlol as a platform

- aggregator
- digital asset management
- open access and commercial digital collections
- a tool for library co-operation
- digital distribution of commercial content
- interoperability tool (API)
- open to ALL publishers/distributors

the goal

MLOL goal is to aggregate the largest possible collection of digital contents (ebooks, newspapers, ebooks, audiobooks, movies, music, learning objects, etc.) that may be of interest for the public library target. MLOL system includes:

- unified resource management system (including detailed usage statistics)
- a single-sign-on system for patrons
- a unified help desk service
- a unified searching/browsing interface
- authomatic device profiling (the collection is adapted to the specific devices patrons are using)
- personalized web portals for participating institutions

access model

- Users accede MLOL remotely 24/7 with a username/password provided by the library.

- Each library has a personalized portal (under the medialibrary.it sub-domain, for example bologna.medialibrary.it) that profiles the specific collection acquired by the libraries in that geographical area and the communication towards their users' community (info pages, news, recommendations, etc.).

MLOL milestones

2007

analysis/prototype with pioneer library systems in northern italy

2009

LAUNCH
500 libraries

2010

Aggregation of streaming content on a subscription basis
1.000 libraries

2011

Digital Lending
MP3 Download
1.500 libraries

2012

Digital Lending of ebooks
with Social DRM,
audiobooks streaming
+ DRM Free
2.500 libraries

2013

New Interface

API

DILL

Web App

Movies

digital lending models hosted by MLOL

- **one-copy-one-user**
  - download
    - DRM (ebooks)
    - Social DRM (ebooks)
    - Free DRM (audiobooks)
  - streaming
    - Audiobooks
- **pay-per-view**
  - download
    - DRM (ebooks, movies)
    - Social DRM (ebooks)
- **subscription**
  - streaming
    - Ebooks, Music
  - download
    - Free DRM (music)

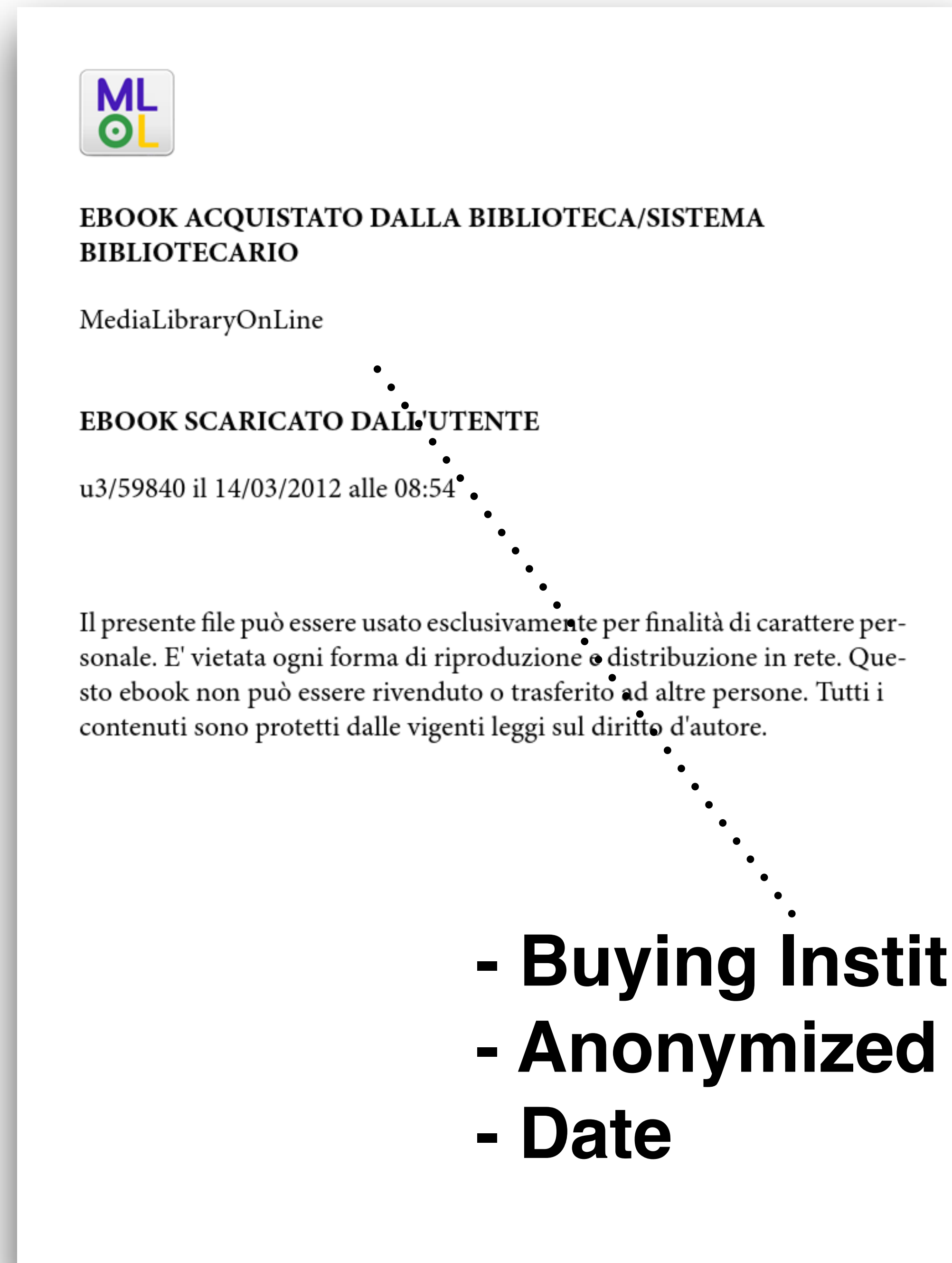
figures about (italian) inprint ebooks on MLOL

- e-books with Adobe DRM (8.759, 43 publishers)
- e-books with Social DRM (2.137, 37 publishers)
- e-books in streaming (4.827, 148 publishers)

one-copy-one-user at MLOL

- archival copy forever (also available for on site access on library premises)
- fee per lending (some distributors share it with publishers)
- maximum number of lendings per copy (60)
- lending interval: 14 days

watermark lending & privacy



EBOOK ACQUISTATO DALLA BIBLIOTECA/SISTEMA BIBLIOTECARIO

MediaLibraryOnLine

EBOOK SCARICATO DALL'UTENTE

u3/59840 il 14/03/2012 alle 08:54

Il presente file può essere usato esclusivamente per finalità di carattere personale. E' vietata ogni forma di riproduzione o distribuzione in rete. Questo ebook non può essere rivenduto o trasferito ad altre persone. Tutti i contenuti sono protetti dalle vigenti leggi sul diritto d'autore.

- **Buying Institution**
- **Anonymized User Id**
- **Date**

watermark lending & publishers

- watermark lending is compatible with one-copy-one-user, pay-per-view and even subscription models
- fit for small publishers, low circulation titles, essays & academic materials (in public libraries)
- publishers reactions fall in 2 categories: "an open/distinctive positioning for small publishers", "a risky move publishers cannot take with respect to authors/foreign agents that may claim (c) infringement"
- MLOL will continue experimenting watermark lending with more distributors/publishers in 2013

is a "polytheistic" approach usable for libraries & patrons?

MLOL Shop
(budget, pick&choose, PDA, DILL)

Backoffice
(user adm, statistics, configuration, portal cms...)

Discovery Portal
(search, recommendations)

API
(authentication, search widget, full XML)

Help Desk & Social
(email, phone, Facebook, Twitter)

OPAC Integration

Single Sign On

Content "Embedding" in any Web Space

is digital lending affordable for libraries?

- the perception (from the point of view of libraries) is often that of an expensive service;
- another frequent perception is that of of a "paying service" in contrast to the traditional "free lending" associated to paper books
- however an understanding is emerging about the *comparison between operation costs of traditional vs. digital lending*
- are e-books to be considered an "additional" budget, or are they to be considered a "dynamic" percentage of the overall content investments of libraries? Of course, considering e-books an additional investment means (in a period of busget crisis) no affordability. So paradoxically: e-books are more affordable the more advanced is the policy budget of the library.

cost analysis

title selling price (consumer)

n of lendings

n of inter-library loans

total operational costs of lending

P = pvp + (cgi * n) + (pi * i)

operational costs

cost of inter-library loan

- Application to paper book lending (data from Fondazione per Leggere, Milan):

  P = 10 + (3,55 * 10) + (0,19 * 3) = 46,70

- Average cost of traditional lending is 4,00 to 10,00 Euros (depending on geographical areas)
- Application to MLOL:

  P = 10 + (0,50 * 10) = 15,00

- Average cost of e-lending (including percentage of title selling price!) is 1,00 Euro.

references

- http://www.slideshare.net/IfBookThen/do-readers-dream-of-electronic-books (AT KEARNEY)
- http://www.slideshare.net/mobile/IfBookThen/2011-international-book-market-overview (NIELSEN)
- http://www.primaonline.it/2012/10/10/110368/rapporto-aie-2012-sullo-stato-dell’editoria-italiana/ (AIE)
- http://www.medialibrary.it/pagine/pagina.aspx?id=27&PortalId=1 (DOCs on MLOL)
- http://www.thedigitalshift.com/research/ebook-usage-reports/public/ (Library Journal, Ebook Usage Report 2012))
- http://digitalia.sbn.it/upload/documenti/DIGITALIA%20N.%202-2011OKOK_.pdf?l=it (Giulio Blasi, "Gli e-book (e i contenuti digitali in genere) in biblioteca. Una mappa a partire dall’esperienza di MediaLibraryOnLine", Digitalia, Dicembre 2011)