

## **E-Book Advocacy Outreach Strategy and Pricing Models**

<b>Date:</b>	April 18, 2013
<b>To:</b>	E-Book Working Group
<b>From:</b>	City Librarian

### **SUMMARY**

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The purpose of this report is to provide the E-Book Working Group with recommendations to consider for an e-book outreach strategy and an overview of the various pricing models for e-content, including those that are considered reasonable.

### **RECOMMENDATIONS**

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#### **The City Librarian recommends that the Toronto Public Library Board:**

1. undertakes a phased approach to its e-book outreach strategy as follows:
  - a. an initial advocacy phase focused on education and awareness-raising, to coincide with the beginning of the e-book platform pilot project; and
  - b. a secondary phase of public and stakeholder engagement, if necessary, focused on increasing the pressure on publishers by leveraging the contacts and goodwill generated from the initial phase to enlist the support of influential stakeholders and library supporters; and
2. requests staff to report back to the E-Book Working Group after the initial advocacy phase to assess outcomes and to determine whether a subsequent phase of public engagement is required.

### **FINANCIAL IMPACT**

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The initial phase of the e-book advocacy outreach could leverage existing Library resources and infrastructure and could therefore be executed at no additional cost and minimal impacts to library resources.

The secondary phase of the outreach would incur online infrastructure and print costs estimated at \$10,000, comprised of \$5,000 in print costs for fact sheets and posters, and \$5,000 to support the letter-writing campaign.

The Director, Finance & Treasurer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

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At its November 29, 2012 meeting, the Library Board considered the report, *E-Books in Public Libraries*, which provided information about advocacy efforts in Canada and internationally. The Library Board approved the recommendations and adopted a two-pronged advocacy strategy that included writing to publishers encouraging Canadian and multinational publishers to participate in a pilot project to make e-content available to public libraries, to sell e-content to public libraries under reasonable terms, and informing the public about the restrictions public libraries face in making e-content available for borrowing. The timing for this advocacy was to be aligned with the CULC/eBound pilot project so as not to undermine this initiative and to build on the progress that has been made in making more e-content available for library customers.

The report *Advocacy for Public Library Access to E-Books* was considered by the E-Book Working Group at its February 12, 2013 meeting. At its February 25, 2013 meeting, the Library Board approved the following recommendations from the E-Book Working Group:

1. *requests that Library staff prepare a draft outreach strategy that can be implemented quickly, if necessary, to “inform the public about the restrictions public libraries face in making e-content available for borrowing”, and the potential cost to the Library, which includes, among any other ideas staff may have:*
  - a. *a petition on the Library website;*
  - b. *a poster and “fact sheet” outlining the problem, and the potential cost and consequences for the quality of the collection at the Library;*
  - c. *a media outreach strategy;*
  
2. *requests that Library staff prepare a report outlining what “reasonable terms” may mean, including but not limited to:*
  - a. *limiting the number of uses to a number similar to the number of uses typical for a normal book;*
  - b. *delayed, but unrestricted, access to e-content; and*
  - c. *a library premium more manageable than the 300% imposed by some publishers.*

## **ISSUE BACKGROUND**

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Advocacy efforts for improved public library access to e-books are currently underway in Canada and internationally. Toronto Public Library is providing leadership in this area with the establishment of the Library Board’s E-Book Working Group and with staff participation in the Canadian Urban Libraries Council’s E-Book Task Group.

The *Big Six* multinational publishers, namely Random House, HarperCollins, Penguin, Macmillan, Hachette and Simon & Schuster, are represented in Canada by subsidiaries or distributors and have been the focus of advocacy efforts. Different pricing models have been introduced by most of the *Big Six* publishers either as part of pilot projects or on an ongoing basis. Simon & Schuster remains the only *Big Six* publisher that will not sell e-books to public libraries at all. The major Canadian independent publishers all make their content available for public libraries to purchase through Overdrive.

While the discussions and negotiations continue during this transitional period, progress has been made with both the multinational and Canadian publishers. The willingness to try new approaches and enter into pilot projects is leading to change within the industry. As part of these new approaches, access to content and pricing models is being tested and adjusted.

## **COMMENTS**

### Advocacy Outreach Strategy Recommendations:

The Board approved a two-pronged advocacy strategy that includes writing to publishers encouraging Canadian and multinational publishers to participate in a pilot project to make e-content available to public libraries and sell e-content to public libraries under reasonable terms; and informing the public about the restrictions public libraries face in making e-content available for borrowing.

It is recommended that, to complement this activity, the Board undertake a phased approach with tactics based on progress made with publishers and with the CULC/eBound pilot project.

Depending on the success of the pilot and other progress made with publishers, a second phase would focus on increasing the pressure on publishers by leveraging the contacts and goodwill generated from the initial phase to enlist the support of influential stakeholders and library supporters.

Throughout both phases, it is recommended that the Board keep library and industry partners apprised of TPL's strategies and actions, using existing established communication channels.

### **Initial Public Advocacy Phase: Education and Awareness-Raising Tactics**

#### ***Media Outreach***

It should be noted that the Toronto Public Library Board has had a proactive approach to media outreach around e-books and e-book issues, and the following tactics are intended to complement this work already ongoing. (See Attachment 1 for an overview of media coverage and public interest in e-books and e-book issues.)

- An Open Letter to the Editor from the Chair of the E-Book Working Group which mirrors the language/messaging of the letters to the Publisher CEOs (see Attachment 2 for draft letter).
- Follow-up with Editorial Board meetings with major Toronto dailies.
- Use the progress of the eBound/CULC pilot project and other positive e-book-related developments to keep the issue top-of-mind and positive (e.g. announce when vendor is chosen; announce publisher participation in pilot; e-book borrowing stats from TPL and perhaps other Canadian libraries, etc.).
- Add advocacy language and key messages to e-content and e-book related reactive and proactive media outreach.

### ***Public Outreach***

- Public Statement from the Chair of the E-Book Working Group on TPL Website.
- New Facebook page with postings of related news articles, links to other library and/or industry statements, information about e-books and e-book publishing issues and advocacy. Use additional social media tools to generate interest in and drive traffic to the Facebook site.
- Collection of e-mail addresses of people interested in staying connected to the Library on the issue of e-book advocacy.

### ***Publisher Outreach***

- Individual meetings with one or two of the larger publishers, and representatives from some smaller publishers.

### ***Outreach to Elected Officials***

- Letters to municipal and local provincial and federal elected officials with the Open Letter to the Editor from the Chair of the E-Book Working Group attached, introducing them to the issue and encouraging a follow-up meeting to discuss the issue in more detail, if they are interested.

## **Secondary Public Advocacy Phase: Public and Stakeholder Engagement**

Reach out via the Library branch network, as well as through e-mail and social media channels to the base of supporters built in the initial advocacy phase to have them speak out on the issue of e-books for libraries. Tactics could include:

- **Letter-writing campaigns** to publishers, municipal and local provincial and federal elected officials from members of the public. The Library would provide a template for an e-mail and/or postcard that key stakeholders and members of the public would send to publishers and politicians reinforcing the importance of free access to information, and urging them to ensure that e-content is available to public libraries.

This tactic is being recommended to replace the suggestion of having supporters fill in a petition. While a form-based e-mail/postcard format is similar to a petition in that it allows stakeholders to quickly and easily add their voice and support to the cause, a letter provides the opportunity for more personalized responses, and has a potentially greater impact, based on volume and content.

- **Posters and fact sheets in the branches** outlining the issues and asking people to speak out and take action.
- **A media release and targeted media pitching** to raise awareness of the campaign and to talk about results as it progresses.

### Pricing Model Options:

A number of pricing models have emerged as publishers test new approaches for pricing digital content for public libraries:

- A cap on the number of times copies of e-book titles can be borrowed, e.g. HarperCollins caps use at 26 times;
- Increased prices, e.g. Random House increased prices up to 300%, Hachette 100 – 200%;
- Delayed access for front-list titles, e.g. Penguin embargoes front-list titles for six months in its pilot projects with 70 public libraries in the United States. Note: Penguin lifted its six-month embargo on front-list titles at the beginning of April 2013 because its pilot projects demonstrated that selling to libraries did not impact commercial revenues;
- A combination of pricing approaches, e.g. copies from Macmillan’s backlist are available for two years or 52 circulations, whichever comes first.

These pricing models are all based on a single use per copy model that requires customers to place holds once all copies are in use. This model replicates the model for print and is generally accepted for e-books as a condition of use. Simultaneous use usually involving a cap on number of users at any one time is another model that has emerged as an option for e-content access.

These models are based on licenses not ownership of the content. Increasingly, this is not generally considered reasonable; many libraries are interested in an ownership option to preserve classics and other content of long-term value, even if it means paying a premium price.

Libraries need predictability, flexibility and reliability in vendors’ pricing models:

- *Predictability:* While some inflationary increases are to be expected, dramatic increases in price impact budgets make it difficult to meet customers’ needs both in terms of purchasing adequate numbers of copies for popular titles and in offering collections with breadth and depth;

- *Flexibility*: Different kinds of content need different kinds of pricing just as there has been for traditional print. Front-list and backlist titles, popular mainstream books as opposed to those that are more specialized all should be priced accordingly. Different options based on libraries' collection requirements for long term preservation and shorter term use are also required.
- *Reliability*: Pilot projects are opportunities to test new approaches but the unknowns associated with pilot projects offer little reliability in terms of access to content. In other instances, publishers withdrawing either their front-lists, backlists or both means libraries do not know what to expect in collection building to meet customers' needs and in promoting those collections.

### Components for Reasonable Pricing

A variable number of pricing models are required to reflect different kinds of materials and the needs of different libraries. It should be recognized that both publishers and libraries are testing different pricing model options for e-content.

The following terms are considered reasonable:

- A premium price for front-list titles acquired within the first six months of release with a discounted price for copies acquired post six months;
- A premium price for ownership. Ownership includes the right to loan copies indefinitely based on the use model prescribed by the publisher (e.g. single copy per use or simultaneous use per number of users), and the right to transfer content to another delivery platform.
- Discounted prices for backlist titles and genres and/or categories of e-books similar to paperbacks;
- Where use is capped, prices should be aligned with consumer prices because access is temporary. A 40-use model is more reasonable than 26;
- Subscriptions and packages of content should be included as a pricing model option for content such as backlists and genres and/or categories of content.

The following terms are considered unreasonable:

- Prices that are 300% higher than consumer prices are unreasonable. Premium prices need to be more closely aligned with consumer prices.
- Embargoes on content undermine the ability to meet customers' needs and expectations. All e-book titles available for sale to the public should be available at the same time to libraries for lending.

## **CONTACT**

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## **SIGNATURE**

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Jane Pyper  
City Librarian

## **ATTACHMENTS**

- Attachment 1: Overview of current public awareness, interest in and media coverage of e-books and the issues of making content available and discoverable
- Attachment 2: Draft Open Letter to Canadian and multinational publishers to make e-content available to public libraries