We Dubbed Our Event: The Breaking Bad Model for Libraries

No, we did not intend to teach librarians and publishers how to cook and sell methamphetamine. BiblioBoard founder (and event sponsor) Mitchell Davis explained the genesis of the title:

"I got hooked—and a lot of people got hooked—on *Breaking Bad* on Netflix. AMC, who produced the show, made some amount of money from putting [the first four seasons] on Netflix, certainly not as much as if I'd bought the DVDs individually, but that was never going to happen. But when Season 5 came out, I paid full price to watch it. I don't expect Netflix to immediately have new releases like *The Wolf of Wall Street*, nor do the tens of millions of paying customers who are happy using the service. Netflix has properly set my expectations on what is there and what I can see. There is not a direct mapping between libraries and Netflix, of course, but the spirit of discovery via libraries in a way that really works for publishers is what we are striving for. And we can learn from this."

We Began with a Short Presentation on the State of Library E-books

Robert Wolven

We were lucky to have Robert Wolven on the panel, the associate university librarian at Columbia University and co-chair of the ALA's Digital Content Working Group. Wolven acknowledged the progress that has been made on library e-books and alluded to the heavy lifting still to come:

"When the Digital Content Working Group [DCWG] was formed in 2011, there were major publishers who wouldn't sell e-books to libraries at all because they didn't have a model for doing so. Access to e-books was distinct from the rest of the library services; you had to know the e-books were there. By 2013, we started seeing more variation from publishers and distributors. Now, we're in a period of taking stock. We're just starting to understand what works and what doesn't, what we'd like to see different."

"Patchwork at Best"

Like Wolven, a recently released IFLA report on e-books in libraries acknowledged some recent progress but also expressed major uncertainty. "Taken globally," the report concluded, "the current situation is patchwork at best." And, like Davis, the IFLA report recognized the influence of a key new player.

"Netflix has pioneered a hugely successful monthly subscription service," the report noted, adding that "such bundling services may well come to dominate the distribution of certain categories of e-books." It concluded that such emerging access models provide "a serious challenge" to the role of libraries. "The tension between commercial content providers with a profit motive and libraries with a free access to information motive will intensify when the service provided, a large curated collection of e-books, appears to be the same."

Our Conversation

Tim Rogers

In addition to an engaged audience, Columbia's Robert Wolven and BiblioBoard's Mitchell Davis, our panel included:

Tim Rogers is executive director of NC LIVE, North Carolina's shared digital library. He works with local, statewide and national leaders to articulate and implement a vision for shared digital content acquisition and use to help libraries better support education, enhance economic development and improve the quality of life of all North Carolinians. Rogers holds a Master of Library Science degree from Indiana University and an undergraduate degree from SUNY at Buffalo.

Our Conversation

Curtis Key

Curtis Key is digital publishing director of the Casemate Group director, where he is responsible for digitizing and distributing Casemate publications as well as aggregating and managing content from over fifty specialist publishers in both the general trade and academic markets. In addition, Key manages global distribution and digital marketing services. Curtis holds an M.A. in medieval French literature from Bryn Mawr College and a PhD (ABD) in 18th French literature from Rutgers University.

Our Conversation
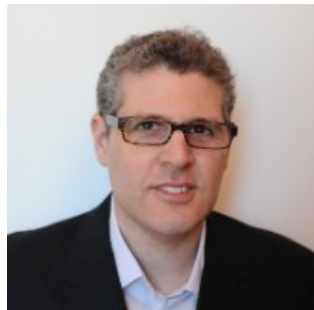
Adam Silverman

Adam Silverman is the Senior Director, Digital Business Development at HarperCollins Publishers. He develops and implements new e-book and digital audiobook business models in the retail, library and K-12 school channels. Silverman has a philosophy degree from Dickinson College and an MBA from Georgetown University.

For Starters, the Library E-Book User Experience Is Frustrating… and So Last Century

One audience member, Raissa Fomerand, told the panel that she had trouble accessing her library's e-book collection. "I finally found a young librarian to explain to me how to get into the system," she said, "and once I got in there, it's like a desert of information."

A recent study showed data suggesting that attrition rates for library users who have stopped borrowing e-books could be as high as 80%, noted Mitchell Davis.

"If that kind of dropout rate happened on a product at Amazon, they would clear entire floors of the building," he observed. "It's also inconceivable that, 20 years into the Internet, someone would go to Netflix or YouTube, click on a movie and be told that someone else is watching that movie and they can come back and watch it later."

Why One Copy, One User? What About Other Business Models, like Pay Per Use and PDA?

"From the publisher's side, it's hard to wrap your head around usage-based models, conceptually. It's going to take time for all the parties involved to become comfortable with that," said HarperCollins' Adam Silverman.

"The problem with taking time," said Maxine Bleiweis, an audience member and Director of Westport Library, "is that [publishers and libraries] both want to be in business in ten years." Bleisweis continued: "A few years ago, this model of 'Freading' (usage-based pricing) came along and the publishers did not embrace it. As librarians, we thought something like that made, and makes, the most sense."

"Usage-based models are definitely a step forward in thinking, but they are built for mediocrity," said Mitchell Davis. "You can say it's a great model until it works and six million people show up and you have to shut the whole thing down. You want it to succeed, but not too much. It's a very, very difficult proposition for a library to manage. And if publishers can raise the prices anytime they want, then it's not shared risk and reward, which, from my understanding, is the whole premise of Patron Driven Access (PDA) and other usage-based models."

Experiment! What About a Do-It-Yourself Library E-Book Platform?

A number of libraries have made headlines with their plans to host their own e-book platforms—most famously, the Douglas County (Colo.) libraries and most recently, the state library of Arizona, which selected BiblioBoard to build and host its own e-book platform.

Tim Rogers discussed NC Live's decision to work with BiblioBoard on its e-book platform.

"We had played around with the idea of building our own platform, like some other states have done, and we actually built the prototype. It was relatively simple to build the prototype; it's maintaining and keeping that over time, with user behavior changing and transitioning and so on. What we realized was: that's not our focus," he said. "We are absolutely not a software company. We are a bunch of librarians working to try to help a bunch other librarians do some work. We should not be in that business unless we are going to devote a tremendous amount of energy and resources to it, and we didn't want to. We wanted to buy content and work with a partner who had a shared sense of values."

What About the Content? Should Libraries Really Be Focused on Providing the Latest Bestsellers?

In perhaps the most heated topic of conversation, Mitchell Davis doubled down on his Netflix theme and suggested that libraries shift their current focus from licensing current bestsellers (which are often expensive and usually result in long wait times on holds lists) and focus first on building a better user experience, based on the collections at their disposal.

"Librarians are exhausted from being penalized for success," Davis said. "If they spread the word about a great book, but only one patron can read it at a time, it creates a traffic jam. We don't want that. We want libraries to be on par with the other consumer experiences people interact with every day."

"Speaking as a library patron, I've never seen libraries as place to get a current bestseller," said Adam Silverman.

"One of the reasons libraries buy bestsellers is because they buy things they know people want to read," said Robert Wolven. "If libraries gravitate away somewhat from bestsellers, it won't be that they stop entirely," he added, "and it will be because the users have done the same thing."

But if users are winding up on long holds lists and ultimately being discouraged from library e-book borrowing, what's the point? Why not try something else?

"As a consortium, we are not focused on doing anything with the bestsellers, because we think that's an individual library decision," said Tim Rogers. "Where we will fill in the gaps will be with this non-bestseller content. In working with small publishers, we were able to find great books—award-winning books—that people should read."

But Won't That Hurt Publishers?

Moving away from the bestsellers is actually better for the publishers, argued Mitchell Davis.

"The majority of publishers have a very small number of books generating revenue in the library market, but the books have the same pricing and access methodology as a bestseller," he said. "If no one is really buying them, there's not much risk in selling them in a more creative way. It creates incremental revenue and helps the library deliver a more compelling patron experience. It's a win on both sides."

But Won't That Hurt Publishers?
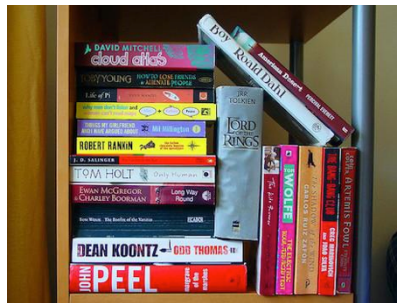
"From a small publisher perspective, we're only doing probably 40 books a year. I would love for one of these to be a bestseller, but it's really about getting this content discovered because, who knows, maybe one day, one of those works will become a bestseller," said Curtis Key. "Having those works effectively available in a library system could potentially lead to that."

Publishers, Libraries and Readers Are All Different

For much of the library e-book debate, the fear has been that library lends would cannibalize e-book sales. Years in, those fears have not been realized, and reality is setting in. Robert Wolven cited recent research that confirmed that heavy library users are, in fact, heavy book buyers. "Libraries have known for a long time that they play this role," he said.

"I wish that libraries were going to be this big, cannibalistic thing that everybody thought they were going to be," said Tim Rogers, "because that would mean that libraries are way more important to the man on the street than they seem to be these days."

Publishers, Libraries and Readers Are All Different

Curtis Key said he's never had feared that libraries would cannibalize his revenue. "To date, our sales in libraries are under 1%, whereas digital sales represent 20–25% of sales, so I don't see it as a risk," he said. "I'm very interested in experimenting and working with libraries."

Why Can't This Just Be Easier? Aren't There Too Many Models Already?

Certainly, from a user perspective, there is a growing sense of weariness at the number of apps and steps involved in borrowing an e-book. On the bright side, experimentation is exactly what's needed, according to Robert Wolven.

"There's almost certainly no one model that works best for all types of content, all types of libraries, all times. So how can we build a suite of business terms that will work and be practical?" Wolven asked. "If you were a theoretical publisher with a theoretical library, you might test these models against each other and see which plays better. Ideally, you do all kinds of controlled experiments. The difficulty is in how library vendors and publishers sustain these experiments while still making money at the same time."

Why Can't This Just Be Easier? Aren't There Too Many Models Already?

Generally speaking, libraries want to buy e-books at a fair price, but in such a nascent market, what does that really mean?

Robert Wolven continued, saying, "What we are trying to figure out is what is a fair price for an e-book for different terms. There's no one model, so there's no one price. It's hard to translate between the models. How do you say which is the better deal?"
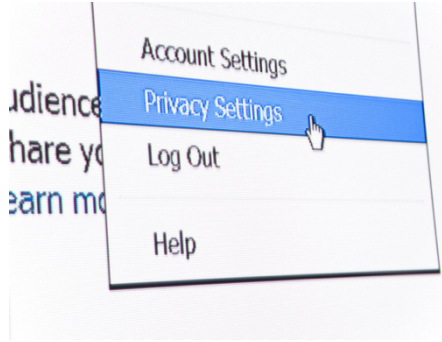
Just when libraries and publishers are gaining a more solid foundation for e-book lending, along comes subscription e-book access with commercial services like Scribd and Oyster. Despite the concerns noted by IFLA, that might be a very good thing. After all, libraries are trusted partners, and if publishers are willing to enable new startups to stream e-books, why not libraries?

What value can libraries add?

As Robert Wolven noted, libraries actually may be poised to offer a superior service in a number of ways:

Privacy: "Libraries don't tell people what you're reading. There's a lot of uncertainly now about who's going to know what about you."

Curation: "There is also still an expectation of the library as something of a quality measure."

Service: "Librarians get to know their users. The library's role is in mediating, in helping people find things that might be of interest to them, sorting through the mass of material, the material of local interest or of particular interest to a particular local population they have."

Libraries as "Discovery" Vehicles

As Robert Wolven noted earlier, heavy library are users are heavy book buyers, and much has been written about libraries and their role in discovery.

"There's an opportunity for the library to play a role in making people aware of the diversity of content," Wolven said, "and widening access to that."

"I worked with Coca-Cola and we called getting people to try things 'sampling,'" said David Vinjamuri, a marketing professor and Forbes author of articles on the library industry, who was in attendance. "Coming into the e-book space, I was really puzzled by the way that publishers interact with libraries. Why aren't publishers fighting over this channel of 16,000 buildings that have no other purpose than to tell other people about new books?"

Libraries as "Discovery" Vehicles

The opportunity extends to a growing segment of the book industry: self-publishing.

"I think there is a huge opportunity for self-published authors and libraries," says Mitchell Davis. "Librarians can play a major role in providing a quality barometer on this huge world of indie content."

Of course, discovery for books can only happen if people are using libraries. On that point, Mitchell Davis made a key observation: in today's digital world, the user experience is the most effective marketing, whether it's Google's simple search box on a clean white screen or the convenience of Amazon Prime.

The Paradox of "Library Marketing"

"I don't have one app on my phone or my iPad that was marketed to me," Davis said. "One thing is true for every app I actually use—someone told me about it. They told me the problem it solved and why it was awesome. I went and downloaded it, and typically within about 15 seconds, I made a decision about whether I was going to use that app or not. I went from having never hearing of Uber to having a guy ready to take me to the airport in about four minutes. That is marketing in the modern world. People are predisposed to love libraries, and if you actually give them a user experience to love, the marketing will take care of itself."

Data, Data, Data

We live in a data-obsessed digital world. Without question, data is a major component to the future of e-books in libraries—and a challenge as well.

"We're inundated with data, but not all publishing employees know how to analyze data," said Curtis Key. "The other side of that is data that is proprietary. We're in a world of big data, but who is willing to give us that data and at what cost? How do we collect our own data?"

Data, Data, Data

Robert Wolven said stakeholders need medium-sized data rather than big data.

"We need data that's more specific to the particular aspects of the product rather than 'this is what library users do' or 'this is how people use eBooks,'" he said. "Is last year's data going to be relevant next year, or by the time you can develop the service or product designed around that? Just because something has been true for 30 years doesn't mean it will continue to be true into the next 30 years."

Where Do We Go From Here?

The future may be unpredictable, but the panel covered some core tenets the will guide us forward.

Robert Wolven touched on access. "I don't want to see libraries abandon the role they play in making content available to people who can't afford to buy all the content they want or can't afford the devices to read all the content they want."

Mitchell Davis talked about the digital experience. "Our vision is to create a consumer-grade, unified interface that lets the library deliver everything to a patron in one phenomenal user-experience. An experience that people can talk about, that gets marketed by word of mouth."

Where Do We Go From Here?

"HarperCollins wants to balance the needs of all the constituents," said Adam Silverman. "The author, the publisher, the library."

"I would love to see some simplification," said Curtis Key, "and to bridge that gap between library systems and the publisher."

Tim Rogers focused on change. "Libraries have to be more willing to change the way they do things," he said, "and not just expect a publisher to change the way they do things."