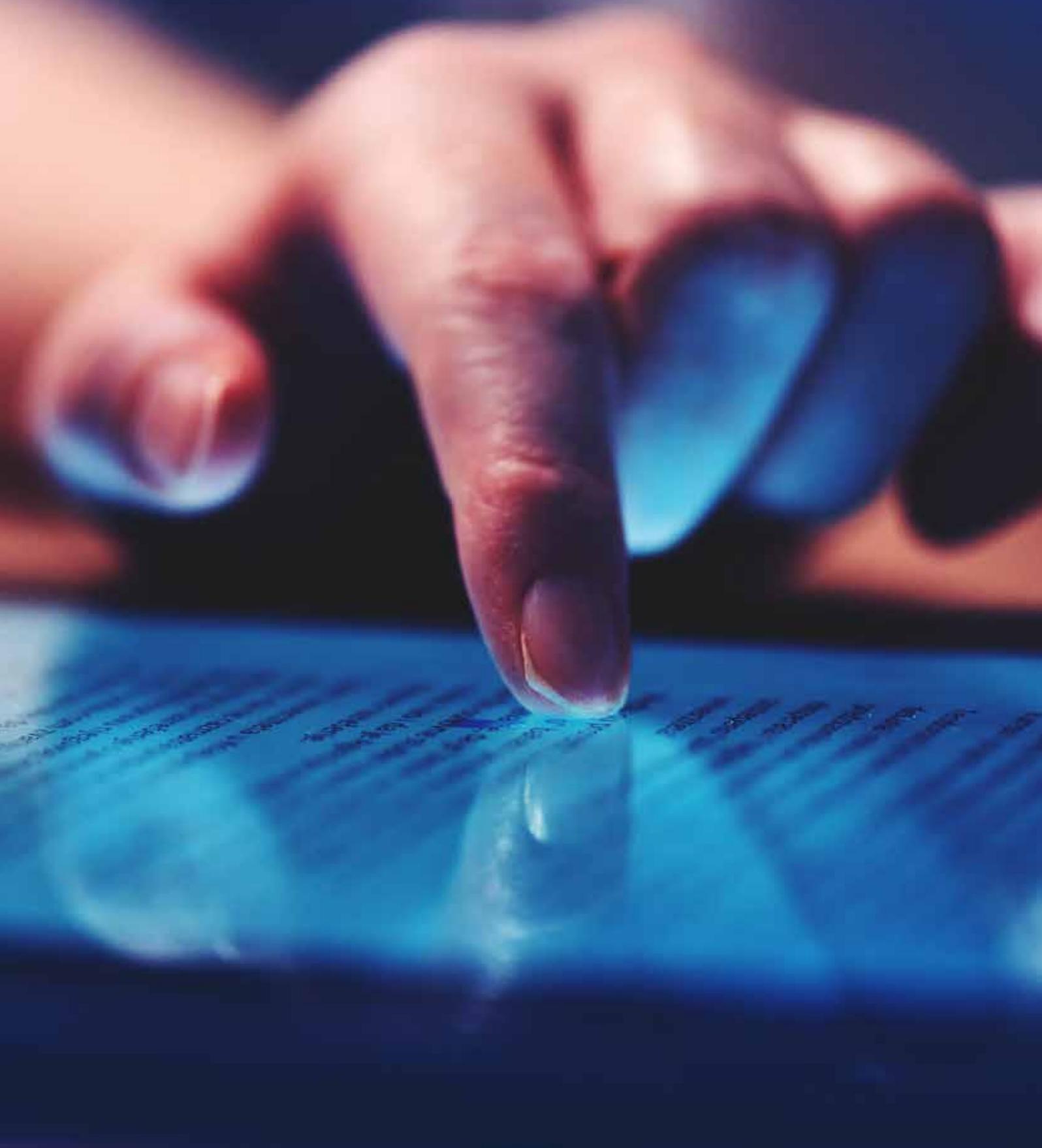


# What's really happening with elending?

[elendingproject.org](http://elendingproject.org)



# Libraries in the elending era

As part of an Australian Research Council Linkage Project, researchers from several universities have been investigating the availability of ebooks for lending and the terms of that access, to determine the effect on libraries.

Libraries have always been able to buy and lend physical books without requiring publishers' permission. For ebooks, it's different. Buying and lending ebooks involves making copies and transmissions, and that brings copyright into play. Ebook publishers have the right to impose special conditions on library access, or refuse to allow them to hold titles on any terms at all.

Public libraries play a critical cultural role in our communities. They connect books with readers; aim to ensure that everyone, regardless of wealth or background, can read and learn; and facilitate access to books that can't be found in bookstores.

Ebooks could enhance all of these roles, because they don't need shelf space and can be borrowed outside library opening hours. But these benefits are impacted if libraries can't provide ebooks for lending at all, or if the cost of doing so is prohibitive.

For the last two years, a research team comprised of data science, law and communication researchers, has been working with library partners to investigate how elending impacts the ability of public libraries to fulfil their mission. Our key takeaways:

- Ebook availability is better than we'd been warned to expect – but it's still not great.
- Even when books are available as ebooks, they're not necessarily accessible, because of licence restrictions.
- There's a strong case for more transparency.

In this report, we explain the findings in more detail. We also encourage you to visit the project website to read the full results and data. You can use interactive dashboards to visually query the data and get a better picture of how our findings might affect your library and readers.

Lead investigator Associate Professor Rebecca Giblin explained the results in talks at the Asia-Pacific Library and Information Conference 2018 and the International Federation of Library Associations and Institution's 2018 World Library and Information Congress. You can find recordings of those on the project website too.

- [elendingproject.org](http://elendingproject.org)

## Availability

It was encouraging to find older titles available as ebooks at rates above 65%. That's far better than we expected, suggesting that publishers and aggregators have greatly improved their back catalogue offerings since the early days of elending. However, it still compares poorly to the 94% availability we found for the same books in physical form.

### Where are books available in digital format?

The chart below shows the percentage of the 546 ebooks in our study that were available from all five platforms (ebook aggregators) in Australia, from just some, or from none.



■ Available from all five platforms: 280 (51%)  
■ Available from some platforms: 133 (24%)  
■ Available from no platforms: 133 (24%)

## Licensing

After analysing almost 100,000 ebooks across five different countries, we discovered licence terms and pricing don't seem to be impacted by the age of the book title. That is, older books are made available on the same kinds of terms and with the same kinds of prices as the newest ones.

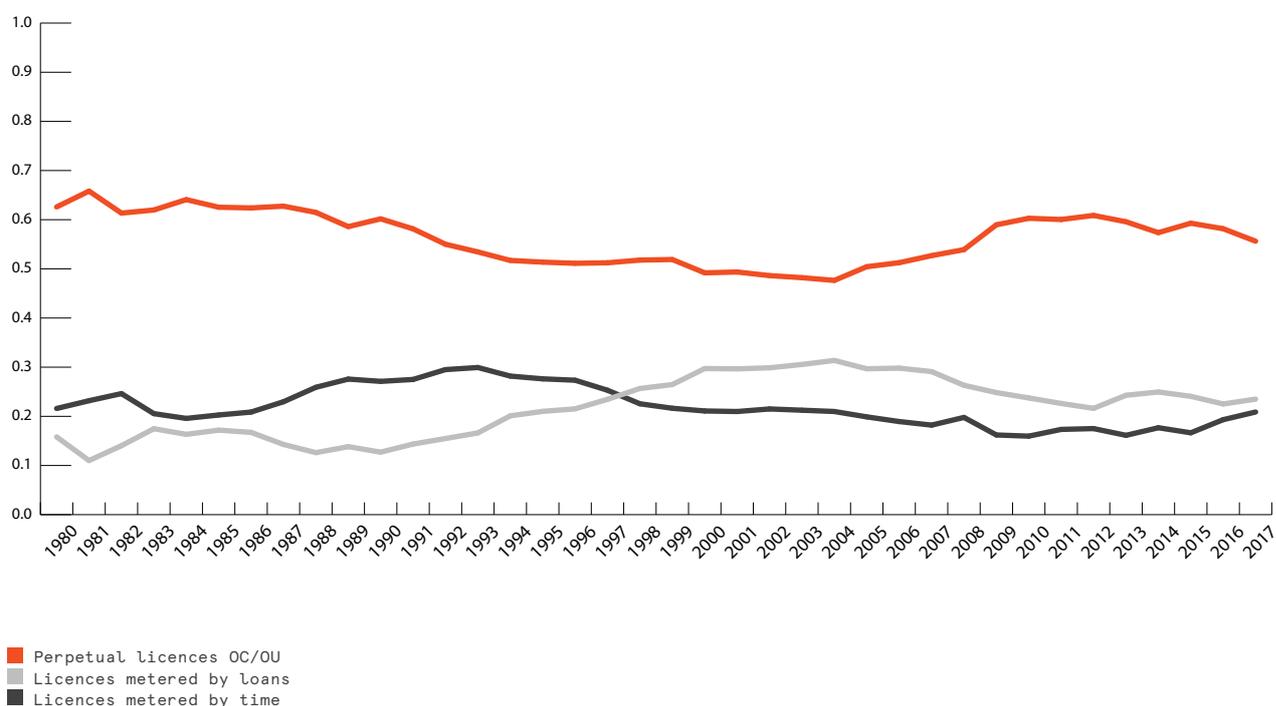
Publishers often use time-limited licences, which expire after a set period or time (or sometimes after a set number of loans, whichever comes first). This is concerning because there is less patron demand for older books.

At the same time, however, libraries need to stretch their circulation budgets by maximising circulations. They may not be able to justify purchasing older ebooks on time-limited licences, even if they remain culturally significant. This potentially leaves money for authors and publishers on the table (if libraries would have purchased on different terms) and raises questions about the changing nature of libraries' roles in curating and preserving access to books.

It is also worth noting that our international studies suggest the larger publishers are offering different licence terms to different markets.

### Ebook licence types

Licences do not differ much depending on the age of books. The graph below shows the split of perpetual licences, and licences limited by time and/or loans according to the original publication date of the book.

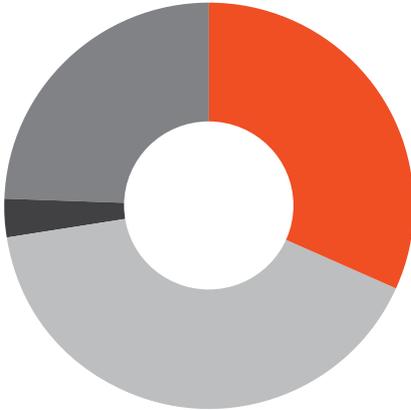


## Transparency

When we first set out to gather this data, some ebook aggregators told us there was no point, as pricing and terms were set by publishers and they would be identical across platforms.

But that’s not what we found. Almost half of the books in our Australian sample had licence differences across platforms (ebook aggregators). This came as a big surprise to aggregators and they are now talking to publishers about ensuring there’s a level playing field.

### Differences in licence terms within Australia



- Licence terms always the same: 173 (32%)
- Licence terms sometimes different: 223 (41%)
- Book only available on one platform: 17 (3%)
- Book not available: 133 (24%)

Prices were also highly variable. Even where a book was made available on exactly the same licence across platforms, there was sometimes a huge difference in how much it cost.

For example, Lisa Gorton’s *The Life of Houses* was offered for as little as \$9.08 and as much as \$45 by different Australian e-lending aggregators.

We couldn’t explain this and neither could the aggregators. Library ebook contracts tend to have strict confidentiality restrictions; it took us more than a year to obtain the permissions necessary to gather this data.

Clearly, there is a strong case for more transparency around terms and pricing to enable libraries to shop (and aggregators to compete) on price.

## About the project

The key to the e-lending project is its grounding in evidence. We are using the power of large and rigorously collected data and machine learning to understand what is really going on in the e-lending environment, in Australia and across five other English-speaking countries.

The core of the project is a unique set of data, collected over one week in mid-2017. We started with a curated list of 546 books that we thought public libraries would be interested in: a combination of prize winners across a range of genres, and bestsellers.

We checked whether the books were still for sale as books, then had researchers and staff in partner organisations and aggregators collect data:

- from all five ebook aggregators in Australia, cataloguing whether the 546 books were available as ebooks for lending, at what price, and on what licence terms
- for the same set of 546 books – whether a major international aggregator had the titles available for e-lending in Australia, New Zealand, the United Kingdom, the United States and Canada, and at what price and on what terms.

Because we have data science researchers in the team, we were also able to do a much larger study. We focused on books of interest: titles written by authors whose books had been borrowed at least 100 times or more in Australia, based on another large dataset of close to 3.5 million loans in Australian libraries. Using a series of new techniques, we put together a dataset of nearly 100,000 titles (with author, title, date of publication and publisher), and 388,045 distinct licences.

## Questions that still need answers

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Armed with all this data, we set out to answer several important questions. This work is still ongoing.

What are the most common licence terms? Do libraries get an ebook that acts a lot like a physical book, able to be lent out indefinitely to one user at a time? Or can they only get licences that expire (for example, after two years), or a certain number of loans?

What do libraries pay for this access? Aggregators have told us the prices are all set by publishers. So what difference does it make what kind of publisher is involved (big publisher or independent), or how old the book is?

As already noted, some of the most striking findings of the study to date are around the relationship between age, price, and licence terms. While we'd expect older books to be borrowed less frequently, this isn't reflected in the price, or the terms, and licences can still expire quickly (usually after two years) even if a book has never been borrowed at all.

How do these practices affect library decision-making? Working out how publishers are licensing their ebooks only gets us part of the way. We need to understand how those practices affect library decision-making.

In late 2018, we sent out a nationwide survey to all public libraries who buy ebooks, asking questions about how they decide which ebooks to include in their collections. We will report on these findings on the project website in due course.

## Next steps

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We are now entering the final phase of the research. Given everything we have learned about how publishers are licensing books, and how libraries are purchasing them, what does this mean?

Should ebooks be treated more like physical ones? Should public lending rights be extended to ebooks – and if so, how?

We'll also be looking at global developments around libraries' access to, and use of ebooks and feeding all this into our recommendations for reforms to law and practice.

## Learn more and get in touch

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Please visit our website to explore a version of the project data with interactive tools that anyone can use – it doesn't require a degree in data science, or even advanced Excel skills!

– [elendingproject.org](http://elendingproject.org)

The website also has video tutorials and more detail about the methodology, data and results.

To find out more, contact the team via:

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