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The Host with the Most: eBook Distribution to Libraries

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As a distributor to a distinctive market, it is vital to understand how health sciences professionals use information. With the exception of the student who is required to buy the usual stack of texts each semester for classes, books are seldom read from cover to cover after the completion of a formal education. However, a health science practitioner never stops using information, regardless of its format. Practitioners do have format preferences however. As **Lew Reines**, former CEO of **W.B. Saunders** and currently the founder of **PocketMedicine.com**, said in a recent interview, "If we sold books only to people who read them, we wouldn't sell any at all—because, essentially, people are using medical books for reference..." This statement implies that health care professionals use chunks of information as opposed to entire books. In order to use pieces of information proficiently, effective access points are critical. Information must be organized so it is easily found and consequently the practitioner can access key information easily. Ideally, information needs to be accessible at the point of care. Handheld devices or PDAs that contain quick reference material and drug interaction products, as well as providing literature searching capabilities, are needed in the health care industry.

Health sciences distributors are listening more closely than ever to library professionals to help define their direction for new prod-

In spite of the limitations noted, they are heavily used because they're available in a format that meets the information needs of the health science professional.

ucts and services. At this year's **Charleston Conference** there was a Lively Lunch entitled "Trends and Concerns in Health Sciences Library Collection Development: PDAs, eBooks, etc." facilitated by **Ramune Kubilius** of **Northwestern University**. There were about twenty in attendance. **Ramune** asked attendees to introduce themselves and state their interest with regard to the topic. On a large pad of paper she had written the words "eBooks," "PDAs," and "electronic journals." As they stated their interests, she put a check by the corresponding word. One after another announced a desire to know more about PDA

content. All commented on the absence of widespread interest in PDA delivery by other conference attendees and were grateful to have a core group to discuss the subject. There was interest in what PDA products are already available, how to gain access to them, and how libraries would be circulating them. Three health science distributors were present and all hoped to gain insight into how health science librarians plan to manage eBook and PDA content, what content was in demand from their patrons, and if they would buy it from traditional sources. There was no question about the demand, it's there and it's for all types of eContent related to the health sciences. Unfortunately,

due to the standards and digital rights management blocks of which we're all aware, there's still a dearth of content available. This lack of content is a critical concern for health science librarians, students, and practitioners. The demand is clearly evidenced by the fact that there's scarcely a medical school library in the country that doesn't subscribe to **MD Consult** and **Ovid**. Both of these products include books along with their extensive electronic journal offerings. Each are incredibly expensive ranging anywhere from \$25,000 to \$100,000 per year! And, according to librarians, both products are heavily used. Each product includes only books from their parent publishing companies, **Elsevier** and **Wolters-Kluwer** respectively, so the available titles are minuscule in comparison to what's available in the field of health science publishing. According to their respective Web sites, only 90 titles are accessible between the two products! In spite of the limitations noted, they are heavily used because they're available in a format that meets the information needs of the health science professional.

The health science marketplace offers opportunities to distribute not only online eBook content and PDA content, but a variety of networked digital resources as well. **Majors** is watching all areas closely as we position ourselves for the future. In spite of all of the apparent challenges, we intend to continue to fulfill our vision statement and deliver crucial content to the health sciences community regardless of the container in which the content is published.

SHERRY L. THOMPSON BIO

Sherry L. Thompson received her B.S. and M.I.S. from the University of North Texas. Her current position at **Majors**, where she's been employed for 18 years, is as Vice President of Library Services. Prior to its sale, she managed **Majors Scientific Subscriptions** for ten years.

The Host with the Most: eBook Distribution to Libraries

by **Rick Lugg** and **Ruth Fischer** (R2 Consulting, 63 Woodwell's Garrison, Contoocook, NH 03229; Phone: 603-746-5991; Fax: 603-746-6052) <rick@r2consulting.org> www.ebookmap.net

"All life consists of moving objects from one place to another."

— **Rob Somebody**, at a good party in 1986

In 1986, Rob's insightful comment referred only to the physical world, and particularly struck home with someone who spent his days getting books to libraries and living in a fourth-floor walkup. The concept of a digital object didn't exist then, except maybe in the minds of some alpha-nerds at **CalTech** or **MIT**. But digital objects surround us now, unnervingly invisible until manifested on a

screen. Like their physical counterparts, digital objects must often be moved from one place to another, and it's the distribution of one type of digital object—the eBook—that we'll consider in this article.

What is an eBook?

For our purposes here, let's use the **Association of American Publishers** definition:

"An eBook is a Literary Work in the form of a Digital Object consisting of one or more Unique Identifiers, Metadata, and a Monographic body of content, intended to be published and accessed electronically." (Takes a bit of the fun out of it, no?) In practice, the term "eBook" is a convenient, if imprecise, handle that encompasses a variety of reading experiences and methods for packaging and distributing digital content—some of which may be useful or appropriate to libraries, and others which may not be.

Some eBooks can be downloaded and read

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on a computer using eBook reader software such as that produced by **Microsoft**, **Adobe** or **TK3**; some can be read while connected to a Web site using that site's reader software (e.g., **netLibrary** or **ebRARY**); some can be read on a PDA; and some on a dedicated eBook device, such as the **RCA REB 1100**.

For an eBook to be readable on any of these platforms, its "monographic body of content" must be produced in or converted to digital form (typically XML or PDF), and that base file must be "tagged" or "marked up" (part of the Metadata noted in the definition) to display correctly on the target reader. Not all content is available for all reading platforms. For instance, **netLibrary's** 40,000 titles may be read via the Web through the **netLibrary Online** or **Offline Reader**—but on no other platform.

eBook Hosting and Distribution

Once eBook content is converted, it must be stored somewhere, in the digital equivalent of a warehouse. From that invisible warehouse filled with many titles, individual titles can be "ordered, picked, invoiced, and shipped," i.e., the digital objects are "moved" or "activated" for the consumers or libraries that have purchased them. There are four distinct parts to this process:

1. Content identification or discovery;
2. A commercial transaction involving order and payment;
3. A rights transaction that delineates use;
4. Delivery of content to the supported reading platform(s).

Some of the current confusion in the eBook market stems from competition and uncertainty over who in the supply chain (Publishers? eBook aggregators? Book vendors? EJournal vendors?) will perform which of these roles.

It is certainly possible for a single company to perform all four of these functions, as when a very large publisher hosts its own content on its own proprietary platform, provides an online catalog, and takes orders or subscriptions directly from customers. But this will remain the exception, possible only for a handful of publishers, and troublesome for librarians.

More typically, publishers work with one or more partners to bring eBooks to customers. For content identification, ordering, and payment, publishers rely on booksellers or eBook sellers. Their titles are listed in the databases of retail booksellers like **Amazon**, or library booksellers like **Blackwell's**, or eBook sellers like **netLibrary**, and libraries find, select, and order eBooks through those partners.

For hosting and distribution in the retail market, publishers might contract with companies like **OverDrive**, **Lightning Source**,

RICK LUGG AND RUTH FISCHER BIOS

Rick Lugg and **Ruth Fischer** formed **R2 Consulting** in January 2000, after a combined 28 years at **YBP Library Services**. **R2** helps libraries to improve workflows from selection to shelf, and to integrate ILS and materials vendor systems. They work with vendors on product development and market analysis, and with publishers on selling eContent to libraries. They have presented their "eBooks for Libraries" seminar and unique eBook industry "map" more than 20 times this year, in the US, Europe, Australia, and New Zealand. **Rick** and **Ruth** write and speak frequently on information-related topics, most recently at Charleston on "Visualization of Content" and "Discipline-Based Portals: The New Content Mediators." They live in Contoocook, NH, with their children **Emily** and **Lincoln**.

DPSL, or **iUniverse**. With some variation, these firms host and manage eBook content for publishers in a "format neutral" SGML/XML repository, and distribute that content in whatever formats the individual publisher wants to support: **OeB**, **Microsoft Reader**, **Adobe eBook Reader**, **Palm Reader**, **Gemstar/RCA**, digital print-on-demand, or Web-ready XML/HTML. In most cases, these firms also incorporate a digital rights management solution, based on encryption, digital certificates, or password-controlled access.

eBooks for Libraries: A Special Case

For the library market, however, publishers need different hosting and distribution partners, because library transactions are fundamentally different than retail transactions. Libraries exist to share content freely, something that retail eBook models actually seek to prevent. This means that the hosting and distribution systems underpinning eBook delivery to libraries must offer controls specific to library use — for circulation, for e-reserves, for multiple simultaneous users. Thus, we've seen the emergence of companies that specialize in hosting and distribution of eBook content to libraries: **netLibrary**, **ebRARY**, and a developing initiative from **Baker & Taylor**.

Content owners (formerly known as publishers) must be assured that their content will be used only as agreed. Because online eBooks and eBooks for dedicated devices are more secure than those based on PCs or PDAs, publishers are more willing to make content available to libraries on those platforms. To date, the "one eBook, one user" model has found most favor with publishers (if not with librarians) because it offers most control over content. For the same reason, the "closed system" of the **Gemstar/RCA** devices has worked on a small scale in libraries. On the horizon, the "timed access" model pioneered by the now defunct **Reciprocal** may offer a promising new option.

For eBooks in libraries to grow, it's important that we begin to sort out what kinds of organizations are best equipped to handle the four primary tasks noted above: content identification; commercial transactions; managing eBook use after purchase; and content delivery. In the rest of this article, we'll examine two of the most immediate

options: hosting and distribution by eBook aggregators, alone and in partnership with traditional book vendors.

In subsequent articles, however, we'll explore other eBook hosting and distribution options, including:

- Hosting by e-journal vendors or database providers
- Hosting by ILS Vendors
- Hosting by Library Consortia or Networks
- Hosting by Individual Libraries

Perhaps the most important factor in how eBook distribution evolves is this: Will libraries purchase eBooks title-by-title as they do print monographs, or will they treat eBooks as collections, or "chunks" of content? Clearly, the answer to that will determine how distribution will be done.

A New Entity for a New Product: netLibrary as eBook Aggregator

Given its recent troubles, it's easy to forget that **netLibrary** pretty much single-handedly introduced the idea of eBooks for libraries. In 1997, they identified an opportunity in libraries that established booksellers either missed or ignored. After several false starts, **netLibrary** began to focus specifically on the library market.

Initially, they conceived their business as a stand-alone, a new entity that would reinvent book distribution for the digital age. **netLibrary** undertook all four tasks—content identification (users could search the nL title file); ordering and payment (for "collections" of titles); rights management (one eBook, one user; password control); and content delivery (via the Online or Offline Readers). [Because they were pioneers, they also undertook tasks further up the supply chain, such as converting content—but that's another story.] They had some success in this stand-alone phase, but also soon realized that they could grow faster and serve the market better if they collaborated with others.

Other notable eBook aggregators, like **Questia** and **ebRARY**, have less direct relationships with libraries. **Questia** is sold only to end-users, and is not relevant here. **ebRARY's** model continues to evolve, and does or could involve libraries. **ebRARY** currently hosts 6,000-8,000 titles in PDF format, with full text view-

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able free of charge on its Web-based reader. A user incurs micro-charges (15-25 cents a page) only when s/he downloads or prints. **ebrary** will share that revenue if the library agrees to refer users to **ebrary** or to put MARC records for their titles into their **OPAC**. It's less clear how **ebrary** might work with other partners, since they handle all functions except content identification. This model bears watching, but we'll set it aside for the remainder of this discussion.

Book Vendors as Partners with eBook Aggregators

netLibrary formed close partnerships with some traditional library suppliers—for marketing expertise, contacts, and understanding of customer needs. They chose **Blackwell's Books Services** as primary partner for the academic library market; **EBSCO** for the public library market; and **Follett** for the school library market. Like any collaboration, these relationships had their share of friction as well as benefit, but over time these partners helped **netLibrary** better understand their respective markets. **netLibrary** also formed sales partnerships with what are sometimes known as the "Baby OCLC's"—**Solinet**, **Nelinet**, **Amigos**, and other regional affiliates.

Through these alliances, **netLibrary** began to rethink its participation in all four distribution roles. Libraries already had established commercial relationships with these vendors and **OCLC** affiliates, and expressed a preference for buying through them rather than directly from **netLibrary**. Since book vendors already offer services to support title-by-title purchasing, libraries advocated integration of **netLibrary's** offerings with **Blackwell's**, **EBSCO**, and **Follett**: listing of eBooks in the vendor's online databases; ability to choose between print and electronic versions; duplication alerts; integration with approval plans and new title services; consolidated invoicing; and a single point for sales and customer service.

This meant that **netLibrary** could rely on its partners to handle (at least in part) two of the four distribution tasks—content identification (libraries could search the vendor database to find eBook titles); and ordering and payment (libraries could use the vendor's Web ordering system, and be invoiced by the same vendor that supplied their print books). This would allow **netLibrary** to focus on rights management and content delivery, and other tasks, such as obtaining new content, and training partners' sales staff. At this writing, however, **netLibrary** retains a library sales staff that still accounts for the majority of their sales.

As **netLibrary's** focus narrowed, they were able to improve content delivery, especially by working with ILS vendors. Once a library had purchased a **netLibrary** title, it was then necessary to help the patron find and access it. In many libraries, the **netLibrary** titles were, in

Book Vendors Comment on eBook Distribution

Matt Nauman, Director of Marketing and Publisher Relations, Blackwell's: "Blackwell's plans to sell all books in all formats. ...A library bookseller [purchases] books from publishers, wholesalers, print-on-demand publishers, online hard-to-find book companies and eBook providers, and [sells] them to libraries. The unique advantage of library booksellers lies in their role as "consolidators that add value to the acquisitions process."

Linda Vendryes, VP, Electronic Services Division, Coutts: "Coutts will offer books in all formats to our clients. Once the dust settles [on the netLibrary sale to OCLC], it will once again be about content and providing eBooks that fit library needs. Coutts will continue to be there for our library customers with netLibrary and other eProducts as they emerge."

Gary Shirk, President and COO, YBP Library Services: "YBP has always viewed the eBook as just another book format. Our objective is to provide fully integrated, seamless collection development, acquisitions, and technical processing services for eBooks as we do other formats of interest to academic and research libraries. We intend to work with netLibrary, as an independent entity or as part of OCLC and, of course, with Baker and Taylor's "ed" which will soon be launched. It's conceivable that we will partner with other emerging eBook distributors as well if doing so will improve services to our customers."

Gary Herald, President, Ambassador Books and Media: "Ambassador envisions partnering with an eBook provider that positions us to provide many of the same services we currently provide for print products; namely a single source for all publication requirements in all formats, collection development support, and delivery of MARC cataloging. We are in the final stage of negotiations with a strategic partner, and anticipate an announcement in the first quarter of 2002."

The netLibrary distribution model, which relies on relationships with traditional book distribution partners, best recognizes the needs and requirements of libraries. We anticipate that OCLC's acquisition would not materially modify this model nor would it impact strategic alliances with respect to delivering and distributing eBooks to libraries."

Sherry Thompson, VP, Library Services, Majors Scientific Books: "Majors... prides itself on being a 'one stop shop' for all available health sciences information, no matter the container, for the scientific community. Our vision statement expresses it in the following way: 'To be a provider of accurate information to the scientific and business community: be it print or electronic, be it content or bibliographic information.'"

John Marcus, CEO, Matthews Medical Books: "Matthews has a long history of providing medical information to our library clients regardless of the format or access methodologies. From A.D.A.M. in the early 90s, to PDA software under development today, to the emerging technologies of print-on-demand and electronic books, Matthews will continue to pursue strategic partnerships that allow us to deliver the most up-to-date and relevant information to the health science community. When library patrons demand eBooks from the library, they will, for all intents and purposes, be demanding them from us."

effect, a completely separate service. By providing MARC records, **netLibrary** could help library patrons retrieve eBook titles in searches. In another advance, **netLibrary** worked with **Innovative Interfaces**, **Sirsi**, **epixtech**, **DRA**, and others to allow users to "pass through" to **netLibrary** titles from search results in the **OPAC**. The solution was inelegant, as the user then had to enter user name and password, but it did bring eBook access one step closer to integration with other resources.

netLibrary also began to work more closely with its book vendor partners, especially **Blackwell's**. Bibliographic data for **netLibrary** titles was incorporated into **Blackwell's Collection Manager** database, allowing **Blackwell's** customers to find and place orders for eBooks along with their print books. Discussions commenced about integrating **netLibrary** eBooks into **Blackwell's** approval plans, and continued until **netLibrary's** financial situation took prece-

dence. To date, **Blackwell's** has more experience working with and selling eBooks into libraries than any other book vendor.

Gradually, though, similar agreements began to be negotiated with other vendors, including **Baker & Taylor/YBP**, **Coutts**, **Majors**, and others. A sensible division of labor has begun to evolve, with many library booksellers listing, promoting, and selling **netLibrary's** eBooks, while **netLibrary** manages and distributes them. It seems likely that **OCLC**, the prospective owners of **netLibrary**, will maintain these channel relationships, in addition to selling eBooks through their own regional affiliates.

Book Vendors as Hosts

But what's to stop book vendors from expanding their own role to include hosting and distribution? They purchase and "host" huge numbers of print books in their warehouses, and have highly developed relationships with

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publishers and libraries. All that's missing is the technology to host content (including support for searching), manage rights in a library environment, and to deliver eBook content.

Baker & Taylor has been experimenting with eBook hosting for more than a year now, designing a product known as "ed," very short for "eContent delivery." During **ALA** in July 2000, **B&T** demonstrated a version of "ed" that delivered eBook content via a Web-based reader. They worked first with **Digital Owl**, and subsequently with **Reciprocal**, to design an infrastructure that made content both secure and shareable. With **Reciprocal's** demise in November 2001, **B&T** decided to take what it learned and write its own hosting and transaction software. They project that "ed" will be available in the first quarter of 2002.

"ed," when he arrives, may represent an important milestone in eBook distribution to libraries. For the first time, a traditional book distributor is attempting to reinvent itself as a digital warehouse and distributor—i.e., moving digital objects from publishers to libraries. **B&T** and its subsidiary **YBP** are both companies that understand the needs of libraries—including what content is most important, the coordinated selection of print and electronic editions, and the types of controlled sharing transactions that characterize libraries.

Because **B&T** has been in the book business for 150 years, it already has well-established relationships with publishers. Unlike **netLibrary** in its early days, **B&T** does not need to explain who they are. Because they sell so much content in other formats, publishers may be receptive to the idea that **B&T** can sell digital content—provided that the rights are secured, and that the formats are standard.

Both conditions appear to be met. **B&T** says it will accept files from publishers in the standard Open eBook format—making it cost-effective for publishers to provide them. However, **B&T** will also contract with **Texterity** to add some proprietary tags, and convert the XML-based Open eBook files to PDF. These conversions will mean that "ed" can offer two different reading experiences: online, using a browser-based reader that **B&T** will design, and offline, using **Adobe Acrobat eBook Reader**. To our knowledge, the latter format will make PC-based eBooks available to libraries for the first time, a significant development.

How is the content controlled? "ed" is intended as an enabling tool for libraries. When a library adopts the service, the eBook site will feature the library's name and logo, with only a small notation that the site is "powered by ed." (Maybe that's why his name is in lower case—ed is humble?) An administrative module will allow the library to set loan periods based on patron type, or other criteria. When the loan period expires, the content becomes garbled in the online reader, and "times out" in the **Adobe** reader.

Like **netLibrary**, "ed" will use the "one eBook, one user" approach that makes publishers comfortable. According to **Pamela Smith**, Chief Marketing Officer, "The users will have an ability to print or copy, however, there will be limitations in order to insure copyrights." As for the novel "timed access" feature, it is part of both the "ed" and **Adobe** software, and is similar to the methodology announced by **Rosetta/Reciprocal** earlier this summer.

"ed" plans to emphasize frontlist content, and its initial offering will include 5-10,000 titles, all with 2001-2002 imprints. Although participating publishers cannot yet be named, Reference, Technology, Travel, and Cookbooks will be well represented, with plans to expand as quickly as the market warrants.

Perhaps most importantly, **B&T** plans to provide eBooks not only to its library customers, but to other wholesalers. Like **netLibrary**, they'll produce new title records that other vendors can import into their own title databases. This will allow other vendors to assist with content identification and order/payment transactions, with **B&T** handling rights management and content delivery. In short, they intend to become another eBook aggregator. For eBook titles sold to their own library customers, they'll discharge all functions. For

titles sold through other vendors, they'll activate and manage them, sharing the margin with the ordering vendor.

For now, there is no title overlap between **netLibrary** and "ed" so **B&T**, like other vendors, will sell eBooks from both hosts. But **netLibrary** has increasingly moved toward frontlist, and publishers, once a title is converted, will want it available through every channel. Over time, these two will differentiate or compete!

In Conclusion:

It's clear that eBooks for libraries is still in the early stages of development. Expanded delivery options, including more PC-based content, eBooks on PDAs, and on dedicated eBook devices remain to be addressed. But we can already see that traditional book vendors will continue to play an important role in eBook distribution. Whether eBook content is ultimately obtained from **netLibrary**, **ebrary**, the incipient "ed," a new host, or from publishers themselves, library booksellers continue to "add value to the acquisitions process" by serving as a kind of content portal to libraries. But there are other intermediaries who may also see themselves in that role, and we'll address some of them in the sequel, as we continue to seek "the host with the most." 🐼

ATG Report: 21st Annual Charleston Conference

Issues in Book and Serial Acquisition: The Trends They Are A'Changing

by **Michael Young** (Head of Acquisitions Services, University Libraries, State University of New York at Albany) <youngm@albany.edu>

The 2001 Charleston Conference further consolidated Charleston's position as the most intelligent, provocative and useful of library conferences. This year's theme was "The Trends They Are A'Changing," which unfolded as an extended examination and discussion of the new and volatile ways of building and acquiring library collections, and of the emerging criteria for selection (or lack thereof), to which user demand for full-text online access has given rise.

One radical response to the dilemma of rising costs, shrinking budgets and staffs and increasing user demand for unprecedented breadth of access is the **OhioLINK** consortium. **OhioLINK's** Executive Director, **Tom Sanville**, gave the Thursday Keynote address, "The Rules of the Game Have Got to Change." With the goal of obtaining "economically sustainable increased access to information as a consortium," **OhioLINK** negotiates state-wide

"Big Deals" for electronic resources and consolidates rapid access to print materials for all users throughout the state. **Sanville** juxtaposed the Old Rules, based upon the individual library as a discreet economic unit limited to print formats and marked by rationing of physical and economic resources, with the New Rules. These rules recognize a group, in this case the entire state of Ohio, as an economic unit of purchase and use, and promote a mentality of evolving and expanding use via electronic information resources, in contrast to the rationed use of print resources under the "Old Rules." **OhioLINK** is

able, through multi-year collective licenses, to purchase a much greater number of electronic titles than individual libraries could ever purchase in print, and to provide access to all titles purchased to all users in the state. Implicit in **Sanville's** keynote was the necessity for adop-

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