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ATG Interviews Tim Coates, Founder of Bilbary.com

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Against the Grain

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Founder of Bilbary.com

by **Tom Gilson** (Associate Editor, *Against the Grain*) <gilsont@cofc.edu>

and **Katina Strauch** (Editor, *Against the Grain*) <kstrauch@comcast.net>

ATG: Tell us about your new Website, *Bilbary*. Where did the name come from?

TC: When the project was new we tried for weeks to find the right name. One Saturday I was at the kitchen table writing an article about libraries with the cat sitting on my fingers and I typed “bilbary” by mistake. I knew it was the name for which we had been looking straight away.

ATG: And what exactly is “*Bilbary Labs*”? What role has it played in building your Website? Does it allow customers input?

TC: We have a whole list of features we would like to add to the site, but because the project has to be organized and there needs to be a sequence we haven’t been able to do a lot of them yet. We talked about whether to open the site as work in progress and decided that we should — so that we would learn from what people say about it and what they would like it to do.

But we also wanted to explain that we already have a lot of ideas in development, that will come on stream as soon as possible — so we called these “*Bilbary Labs*” as a way of telling people what we are doing and inviting them to join in the process.

So all our ideas about text searching and cloud reading and rentals, and about how to make the site fun to stay on and browse around, and the books we would like to put on the site, and many other schemes, are in *Bilbary Labs* at present, and we hope to launch them all during the next year.

ATG: For those of us less familiar with these concepts can you define text searching and cloud reading? Are those features being offered on other platforms or Websites? And can you give us a “peek” at the new features that you are considering in *Bilbary Labs*?

TC: On most book Websites the search engine looks through the title, the name of the author, and the description of the book posted by the publisher in order to find books that match what has been written in the search box. When *Bilbary* is operating fully and the books it hosts are in its own “cloud,” the search engine will also look through the whole text of the books to find things. So if you have posted the names of characters or a phrase or idea, the *Bilbary* search engine will find the books they are in. It will open a whole new dimension of ways of finding published work.

A “cloud” means a huge store of books and what is written in them. When you purchase a book you can either download it to your own computer, or phone, or alternatively you can leave it in your own place in the cloud and read it from anywhere using your own password. Your copy of the book will remain forever

— and it will remember where you have got to in the book and keep a record of any notes you make or passages you might highlight.

There are two projects in our “labs” that I particularly like. The first is that we will ask readers on the site to tell us about books that we don’t yet have and perhaps are not yet available as eBooks, and we will go hunting for them and try and make conversions.

And we are developing what we call shop windows, which will be ways that librarians or booksellers will be able to make extensive recommendations for titles or selections of titles that people might like to know about by simply posting the books in the windows.

ATG: We read that you are “positioning *Bilbary* to be publisher, customer, and library friendly.” How will that work? How do libraries, in particular, fit into your strategy? Are your recent partnerships with the *Kansas State Library* and *Taylor & Francis* evidence of this positioning? Can you tell us more about these agreements?

TC: We read a lot about conflicts in the industry: retailers against publishers, publishers against agents, publishers against libraries, and more — and I don’t think those disagreements are healthy for the public — we all have to work together. A retailer like us has to be concerned primarily about helping people to find what they want to read. It seems to me that that pursuit on its own is publisher, customer, and library friendly — it is what we all want. I have sold books all my life, and I have learned to respect and value what publishers and libraries do. It is a terrible mistake to imagine that they aren’t necessary or that one can immediately do what the other has spent years learning how to do well. Publishers always think they know how to be booksellers and vice versa — but, in my experience, it is never true.

More reading is of books from public libraries than of books from book shops. People are astonished when I say those figures, but they are true. It is simply that publishers don’t watch library circulation figures as a matter of routine — they should. It is amazing which authors are popular and how much their books are read, and their editor never knows.

I have watched the problem of eBooks in public libraries coming over the hill for some time. One can see why the conflict has come about, it’s easy to understand — publishers don’t want limitless free reading — and libraries are used to being able to offer it. I think — and from talking to **Jo Budler** in Kansas, she thinks, too, that the way to tackle the problem is for libraries to have access to eBooks and for the data about sales or lending to be shared with publishers — and that they should derive some income from circulation. So we

have embarked on the first steps of a project to bring that about. It is very exciting, and I hope we stick to our aims — it could help resolve a lot of problems and will help both publishers and libraries to give the service to readers that is needed in a financially viable way.

ATG: Can you tell us more about the specifics of what you are planning with the *Kansas State Library*? Will publishers get a royalty after a certain number of circulations? How will this impact authors? Will they get a cut?

TC: Publishers will be paid for every single loan, and authors will receive their royalty from the publisher, exactly as they would if the book were sold in a store. Initially we are just offering the books for sale, as you would find on any eBook Website. The difference is that half the income that would normally go to the Website (i.e., *Bilbary* in this case) will actually go back to the library itself for the library to use in any way it sees fit. As it happens, initially, Kansas has told us that they want *Bilbary* to use that share of the money to keep developing features on the site and continue our negotiations with publishers.

When we can do so we will add the feature that will allow library patrons to rent the books rather than buy them, for less money and for a specified time. Once again a payment will go back to publisher and author each time there is a loan, but now the library will have the option of using its own book fund to subsidise rentals to certain patrons. So if, for example, the library wished to make rentals free to children by subsidizing the price of the loan, they will be able to do that.

ATG: *Bilbary.com* has launched a beta Website for eBooks, compatible with computers, tablets, smart phones, and e-readers. You plan to sell eBooks and also provide short-term rental?

TC: Yes, as I am writing this there are about 340,000 titles on the *www.bilbary.com*, and within 2-3 weeks we should add 200,000 more, which will include for the first time most of the popular titles from the big U.S. trade publishers. Then we will begin to launch the rental program and the cloud reading. At each stage we are obtaining the agreement of the publishers involved so that nothing is being done without their active cooperation and support. But in total we have now about two million titles lined up to come on the site from publishers all over the world.... There is plenty of work ahead of us

ATG: We also understand that in the *Taylor and Francis* deal, readers will be able to rent, as well as purchase, T & F titles. Given that they are an academic publisher, how will

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their rental plan work? Will libraries be able to rent T & F books for lending to students?

TC: We have been publicizing the **T&F** deal because they are the first large publisher to permit rentals of this kind. Most of **T&F**'s books are academic and of the kind that one would use at university — so this is a way of helping students to have access to books that normally they would only find in a faculty library. We anticipate that other publishers will begin to make the same facilities possible, and the range of books available will become much less specialized and of more general appeal to library patrons. This is what **Jo Budler** and I mean when we talk about taking one step at a time to get to where we want to be.

ATG: Currently, you can only purchase items from Bilbary if you are U.S. based with a U.S. registered credit or debit card. When will readers outside the U.S. be able to buy from Bilbary?

TC: The site should open to people outside the U.S. in June. We will gradually introduce languages and currencies as we go along.

ATG: You have opened with approximately 340,000 publishers' distribution titles. What are these titles, and what are the publishers?

TC: The distinction between “distribution” titles and “agency” titles has been in the press recently. If a publisher wishes to sell its books through an “agency” agreement, the retailer (ourselves, **Amazon**, etc.) acts as the publisher's agent. The publisher sets the price, and the retailers must all sell at that price. The alternative to the “agency” method is a “distribution” agreement in which the retailer acquires the right to sell the book from the publisher — and can then determine the price at which it wants to sell.

Most publishers use the distribution method. However, about six of the very large publishers, with the most popular titles have, for the last year or so, preferred to use the “agency” method.

Curiously, for us, the biggest difference is about how sales taxes are handled in the different states of the U.S. If we act as a publishers' agent we have to collect the sales tax on their behalf — which means understanding their own tax obligations, which can vary from state to state and even within states. It is complicated, and in order to do it properly we need precise systems. That is why we put up the “distribution” titles first and then followed with the more popular agency titles — it is about gathering taxes. Our tax-collecting system is being tested now, which means that the agency titles will come on the site in the next few weeks.

ATG: From what you are saying it appears that most publishers prefer using the distribution method and that the six major publishers are outliers preferring the agency model. Correct? Was this a problem before the advent of eBooks?

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Tim Coates

BORN AND LIVED: United Kingdom.

EARLY LIFE: Degrees from **Oxford University** and Masters from **Stirling University**.

PROFESSIONAL CAREER AND ACTIVITIES: International Bookselling and publishing for more than 30 years. I was CEO of **WH Smith** in Europe and CEO of **Waterstone's** book stores. I operated my own large independent book store in London and was General Manager of **YBP** in the UK. I have spent time writing and editing; author of several books and editor of a series of history titles. I have been very active in the design of public libraries and in campaigns for their improvement.

FAMILY: Married to **Bridget Cave**, we have two sons, **Sam** and **Oily**. **Sam** is deputy political editor of *The Times* in London; **Oily** has recently been named Royal Philharmonic International Young Artist of 2012 — he is a cellist.

IN MY SPARE TIME: I read and listen to music.

FAVORITE BOOKS: Thousands — but just this week *Dear Miss Landau* by **James Christie**.

PET PEEVES: Government officials.

PHILOSOPHY: “It probably doesn't matter.”

MOST MEMORABLE CAREER ACHIEVEMENT: My first book accepted for publication by **Bloomsbury**. And several professional programs and developments in bookselling.

GOAL I HOPE TO ACHIEVE FIVE YEARS FROM NOW: **Bilbary** to be a success.

HOW/WHERE DO I SEE THE INDUSTRY IN FIVE YEARS: The heart of the publishing industry is about writing (and reading). I don't think that will ever change. I hope there will be wonderful new writers, and I am sure there will be. Of course the industry is tumultuous — but it always has been — not because anything is wrong with it, but because writing is open to anyone to do; it costs nothing. Giant corporations scramble over each other to make their fortunes out of something that cost nothing in the first place. All the technology that surrounds us is wonderful, but it is not the essence of what we do. Even more puzzling is that the best writing isn't about anything — it can be about nothing. That is the magic of our medium — and that won't change in five years or fifty. 🌱



TC: As far as I know the agency model for book selling was only invented about 18 months ago when there was discussion about the price of eBooks and who should set it and at what level. This is the case that is being examined at present by the **Department of Justice** and has been widely written about in the press.

ATG: It appears that most of your titles are focused on the “popular market.” Do you have plans to expand into the academic/scholarly market? What about eBooks?

TC: We hope to be very active in the educational and scholarly book market and shall be launching student programs in the fall — we

think that is the area in which book rental will become a major feature. We will specialize in the kinds of books one would expect to find in a college or university library. Textbooks are a different subject — there are other people who specialize in school and university textbooks, and that won't be a priority at present.

ATG: According to a recent article in Publishers Weekly, “self-published titles will be limited” in Bilbary. If so, what are Bilbary's criteria for accepting self-published works?

TC: There was some confusion about this. What I meant was that we will accept any books — and I was referring to self-published

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or re-scanned out-of-copyright books — as long as the quality of the presentation is high. I am talking about proper layout and no missed words and so on. We won't attempt to judge quality of writing — that is something for our customers to do.

ATG: *There are many issues with eBooks recently outlined by Chuck Hamaker in an article in Searcher Magazine. Can you comment on contracts that you will attempt to have with publishers that might confront some of these issues?*

TC: You are right — that article by **Charles Hamaker** lists a whole series of very valid questions that arise. Many of them aren't easy to answer. The technology of eBooks makes possible a whole series of features that weren't available with print books — so many things will and can change.

One aspect that interests me and is not in that list is the possibility of helping people who have "print difficulty" either with their eyesight or with dyslexia. We have begun working with a government-funded U.S. agency that develops technologies to tackle these problems, and I am very keen to incorporate these into **Bilbary**. Many people around the world suffer from an inability to have access to printed work, and now it is possible to help them. If we can, we should.

ATG: *One of the key concerns Mr. Hamaker discusses is ownership versus licensing. If purchasing from Bilbary, will libraries own the eBooks? In short, what rights are being purchased when Bilbary eBooks are being acquired? And what insures the preservation and archiving of Bilbary eBooks?*

TC: **Bilbary** won't sell to libraries at all. There are other people who do that. **Bilbary** sells or lends directly to the customer. If a library wants to hold a book in its collection that is a service that other people provide — what we do is allow a library with whom we are partnering to offer a much wider range of books to the public than their budget would normally allow if they were to collect and hold the titles. It is a way of adding to the services a library can offer at no cost at all to the library, but from which they can benefit financially.

ATG: *One of the most pressing issues is eBook pricing with the common perception being that eBooks are a lot less expensive to produce and so should be cheaper than their print counterparts. And now to complicate matters, the U.S. Department of Justice is suing Apple and mainstream publishers for price fixing. What is Bilbary's take on eBook pricing?*

TC: I think prices should be as low as we can make them, as long as publishers and authors are paid properly for what they do, our job is to operate as efficiently as we can and give the best possible price to the customer.

ATG: *Tell us about your background. You began work as a bookseller (Waterstone's and YBP). Have you abandoned the brick and mortar for the virtual?*

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*Beta Read more, Pay less.

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Bilbary

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TC: I have been selling books for more than thirty years, and I do enjoy it. I find the possibilities of the eBook absolutely fascinating, and I am enjoying playing in the chess game that is going on the market at present. It is real fun.

But I love going in book shops, both new and second-hand. I also write books, so looking for research material in old book stores is one of my great pleasures.

ATG: *Speaking of book shops, how would you rate their chances of survival in the 21st century? And what will they look like if they are still with us?*

TC: I think we will always want to own printed books and to give them as gifts to friends. They are very special. I think only some kinds of books are readily used in an eBook form, and there are a lot of books that will remain much more practical in print form. For example, at present, there are very few illustrated or color books that are available as eBooks — and that will remain true for a long time.

ATG: *You are a successful author in your own right. Please tell us about the books that you have written. Several are very interesting. I believe one called "Patsy" has a Kindle edition and has sold very well.*

TC: Thank you! *Patsy* is based on an amazing true story about an aristocratic woman who was about as wicked as it is possible to be. And yet she was adored by far too many people. It is a true life "Downton Abbey" story that I came across in secret files and private letters. You are right it has been quite popular — I would love to see it made into a film or TV series.

I also have a book of which I am proud called *Delane's War* which is about a journalist whose persistent pursuit of the truth — in the time when **Florence Nightingale** played an important role in British affairs — actually forced the British Government to collapse. It is a Victorian-style Watergate scandal, which rings true even now. I even included some Newspaper adverts from the 1850s which are extraordinary. The book also tells a romantic story that is quite original.

ATG: *What do you like to do for fun — when you're not creating innovative Websites and services? Do you have any hobbies or favorite pastimes?*

TC: I have two amazing children. **Sam** is deputy political editor of *The Times* in London, and works in Parliament here. **Olly** is a cellist who has just been named "International Young Artist of The Year" by the **Royal Philharmonic Society** at a ceremony in London ... look him up at www.Olivercoates.com.

ATG: *Thank you for taking time out of what must be a busy schedule to talk to us.*

TC: Not at all! 🌱