Parallel Universe

Will Libraries and Publishers Learn to Share?

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Managing Partner
Information Media Partners
Books are not a success story
Books are expensive
Books are hard to navigate
Books are of declining importance to scholars
Books are rarely used
Books are a lost opportunity
Questions for Books

• Where
• Which
• When
• Why
Relationships are tough

Jill
Ford
Newt
Publishers

Libraries
Entire Staff
Goodyear
Jack
We Can Work it Out
We Can Work it Out
Agenda

• Libraries today
• Strategic initiatives
• A way forward for publishers and libraries
An average spend of $150K?

Estimated Data Points

Public Library: $1,659M
Academic Library: $340M

Number of libraries: 13,000

Library total approximately 5% of total publishing industry revenue.
Improving Quality of Life

It’s in our wallets

Library cards are about as prevalent as credit cards. Two-thirds of Americans have a library card. For many young people, the first card in their wallet is a library card.


25.4 million Americans reported using their public library more than 20 times in the last year, up from 20.3 million households in 2006.

Source: COLUSA Report
Assisting patrons

• Online job applications (67 percent)
• Access to job databases and other online resources (88 percent)
• Civil service exam materials (75 percent)
• Software or other resources (69 percent)
• Resumes and other employment materials

Source: OCLC How Libraries Stack-up
Source: COLUSA Report
Despite strong ROI

- Reductions seen in 41 state library budgets during fiscal 2010.
- Of states reporting decreases in local funding to public libraries, the majority were in the 5-10 percent range.

Source: OCLC How Libraries Stack-up

Source: COLUSA Report
51 million “by-computer” Patrons

Use of the public library by computer (from home, work or school) doubled from 2006 to 2009 (6 times per year, up from 2.9 times in 2006)

Source: COLUSA Report
When asked about academic libraries

- 95 percent of Americans (220 million) agree that college and research libraries are an essential part of the learning community.
- 97 percent of Americans (224.5 million) agree that college and research libraries connect users with a world of knowledge.

Source: COLUSA Report
Bigger, better, best libraries

UVA Rules!

Can’t you ever shut up!
Troubling Stats for Monographs


<table>
<thead>
<tr>
<th>Category</th>
<th>1986</th>
<th>2008</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Serials Spend</td>
<td>$1.5mm</td>
<td>$7.0mm</td>
<td>+ 374%</td>
</tr>
<tr>
<td>Monograph Unit Cost</td>
<td>$29</td>
<td>$59</td>
<td>+ 89%</td>
</tr>
<tr>
<td>Monographs Purchased</td>
<td>32,679</td>
<td>32,745</td>
<td>0%</td>
</tr>
<tr>
<td>Salaries</td>
<td>$4,011</td>
<td>$10,302</td>
<td>+ 157%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$1,111</td>
<td>$2,645</td>
<td>+ 138%</td>
</tr>
<tr>
<td>CPI</td>
<td>109.6</td>
<td>219.9</td>
<td>+ 101%</td>
</tr>
</tbody>
</table>

Source: ARL Statistics 2007 - 2008
Supply & Demand

<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>ILL Borrowed</td>
<td>7,047</td>
<td>27,822</td>
</tr>
<tr>
<td>+ 6.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ 295%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ILL Lent</td>
<td>16,092</td>
<td>36,383</td>
</tr>
<tr>
<td>+ 3.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ 126%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Population Change 1986 - 2008

<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate Students</td>
<td>+ 3.4%</td>
<td>+ 111%</td>
</tr>
<tr>
<td>Faculty</td>
<td>+1.3%</td>
<td>+ 33%</td>
</tr>
<tr>
<td>Total Students</td>
<td>+1.4%</td>
<td>+ 36%</td>
</tr>
</tbody>
</table>

During the period 1986 - 2008, monographs purchased by student population fell 36%

Source: ARL - Statistics 2007-2008
Over reliance on Inter-Library Loan?

One Year Fifty Times
Business strategy in the library world

• Delivering efficient services
• Understanding cost structures
• Opportunities in the network
• Effective resource management
• Expanding body of research
The Idea of Order:
Transforming Research Collections for 21st Century Scholarship

June 2010

On the Cost of Keeping a Book
by Paul N. Courant and Matthew “Buzzy” Nielsen................. 81

Council on Library and Information Resources
Washington, D.C.
The cost in book tonnage

<table>
<thead>
<tr>
<th>Cost Element</th>
<th>Open Stack</th>
<th>High Density</th>
<th>Hybrid (10 years in open stack)</th>
<th>Hybrid (20 years in open stack)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>108.51</td>
<td>16.40</td>
<td>32.36</td>
<td>43.21</td>
</tr>
<tr>
<td>Maintenance</td>
<td>16.69</td>
<td>1.24</td>
<td>5.66</td>
<td>8.99</td>
</tr>
<tr>
<td>Cleaning</td>
<td>3.64</td>
<td>0.28</td>
<td>1.32</td>
<td>2.09</td>
</tr>
<tr>
<td>Electricity (heating and cooling)</td>
<td>2.39</td>
<td>0.20</td>
<td>1.03</td>
<td>1.53</td>
</tr>
<tr>
<td>Base staffing</td>
<td>6.08</td>
<td>1.20</td>
<td>2.42</td>
<td>3.36</td>
</tr>
<tr>
<td>Circulation</td>
<td>4.58</td>
<td>9.45</td>
<td>8.19</td>
<td>7.25</td>
</tr>
<tr>
<td>Total</td>
<td>141.89</td>
<td>28.77</td>
<td>50.98</td>
<td>66.43</td>
</tr>
<tr>
<td>Annual Average</td>
<td><strong>4.26</strong></td>
<td><strong>0.86</strong></td>
<td><strong>1.53</strong></td>
<td><strong>1.99</strong></td>
</tr>
</tbody>
</table>

Source: Courant, Nielsen: On the Cost of Keeping a Book
The books *have already left the building*

More than 70 million volumes off-site

- 30% of Columbia’s collection
- 40% of UC Berkeley’s
- 50% of UCLA’s
- +50% of Harvard’s, etc.

No evidence that loss of browsing has adversely affected scholarship or institutional reputation

Source: Malpas – RLG Partnership Symposium: “When the Books Leave the Building” Chicago, June 2010
Redundancy equals opportunity

• Scope of mass-digitized corpus in Hathi is already sufficient to replace at least 30% of most academic print book collections
  – Ratio of replaceable inventory independent of collection size
• More than 750K titles (23% of corpus) held by at least 99 libraries AND at least one large-scale print preservation repository
• More than 1.5M titles (46% of corpus) held by at least 25 libraries AND at least one
• Risk tolerance will determine appropriate level of redundancy

Source: Malpas – RLG Partnership Symposium: “When the Books Leave the Building” Chicago, June 2010
Sharing may be good business

- Average US academic research library could achieve:
  - Space recovery of at least 20,000 ASF
    - a new research commons
  - Cost avoidance of ~$1M for new high-density storage
    - capital campaign diverted to commons
  - Cost avoidance of ~$1M per year for on-site mgt
    - Funds to be redirected to cloud providers
  - Ongoing space reductions sufficient to achieve steady state in campus collection

Source: Malpas – RLG Partnership Symposium: “When the Books Leave the Building” Chicago, June 2010
E-book readers in the library

- The Plastic Logic Reader
- The Asus E-Reader
- Interead's Cool-er Reader
- Barnes and Noble - Nook
- Sony's Digital Reader
- Amazon's Kindle 2 and Kindle DX

Source: Jared Newman. Get Ready for the E-Reader Rumble of 2010
A buying pool for eBooks?

COSLA: eBook Feasibility Study for Public Libraries
Final Report:
• Library Leader Interview Findings
• Industry Expert Interview Findings and Scenarios for Action
How is that a good model for us?
Toward a new model?
Recall: Relationships are hard

• Advance market intelligence
  – Cooperative approach to understanding patron and buyer

• Sourcing metadata from libraries
Recall: Relationships are hard

• Monographs to databases
  – Applications, usage, linkage
  – Serials experience is instructive
  – Greater intelligence in purchasing
  – Improving value proposition for libraries

• Socialize the books
Summary

• Libraries advanced in rebuilding their operations
• Expect to apply lessons of hybrid print/digital paradigm to eBooks
• “Buy and hope” is not sustainable but,
• Potential to grow channel: demand and supply imbalance
• Desire for cooperation
Parallel Universe

Will Libraries and Publishers Learn to Share?

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