Parallel Universe

Will Libraries and Publishers Learn to Share?

Michael Cairns
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
Colleen
Publishers

Libraries
Wayne
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

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: OCLC How Libraries Stack-up

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

**No ticket required**

- U.S. public library visits: 1.4 billion
- U.S. movie attendance: 1.3 billion
- U.S. sporting event attendance: 218 million

Every year, Americans visit the library more often than we go to the movies and six times more often than we attend live sporting events (includes professional and NCAA football, baseball, basketball and hockey).


- 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


Source: OCLC How Libraries Stack-up
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></th>
<th>1986</th>
<th>2008</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Serials Spend</strong></td>
<td>$1.5mm</td>
<td>$7.0mm</td>
<td>+ 7.3%</td>
</tr>
<tr>
<td><strong>Monograph Unit Cost</strong></td>
<td>$29</td>
<td>$59</td>
<td>+ 2.9%</td>
</tr>
<tr>
<td><strong>Monographs Purchased</strong></td>
<td>32,679</td>
<td>32,745</td>
<td>0%</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th>2008</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries</strong></td>
<td>$4,011</td>
<td>$10,302</td>
<td>+ 4.4%</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>$1,111</td>
<td>$2,645</td>
<td>+ 4.0%</td>
</tr>
<tr>
<td><strong>CPI</strong></td>
<td>109.6</td>
<td>219.9</td>
<td>+ 3.2%</td>
</tr>
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</table>

- **+ 374%**
- **+ 89%**
- **0%**

Source: ARL Statistics 2007 - 2008
Supply & Demand

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</thead>
<tbody>
<tr>
<td>ILL Borrowed</td>
<td>7,047</td>
<td>27,822</td>
<td>295%</td>
<td>16,092</td>
<td>36,383</td>
<td>126%</td>
</tr>
<tr>
<td>ILL Lent</td>
<td></td>
<td></td>
<td></td>
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</table>

Population Change

<table>
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</thead>
<tbody>
<tr>
<td>Graduate Students</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faculty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Students</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></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

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>4.26</td>
<td>0.86</td>
<td>1.53</td>
<td>1.99</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 Asus E-Reader

The Plastic Logic 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
Michael Cairns - Information Media Partners
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

Version 1.0 | June 30, 2010
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

• Monographs to databases
  – Applications, usage, linkage
  – Serials experience is instructive
  – Greater intelligence in purchasing
  – Improving value proposition for libraries
  – Bringing ‘social’ to books
Has the train already left?

- Libraries advanced
- A new business Model
- Monograph databases
- Toward an equal model
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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