

Can be read thousands of times and still looks the same: emerging business models for e-book rental and how to support them with Klopotek



Libraries are going digital. In Germany there are franken onleiheⁱ and onleihe.netⁱⁱ, but examples of this development can be found in any country. But how should e-books for libraries be priced?

Making e-books available to libraries is a considerable challenge for many publishers. There is a growing number of emerging business models. An article published on paidcontent.orgⁱⁱⁱ on 1 May 2013 gives a brief summary of some of them.

- New e-books are priced at three times the cost of the print version, but a library only has to buy a copy once (Hachette).
- Prices for libraries are as much as three times higher than the retail price (Random House).
- E-books can be checked out 26 times before the library has to buy a new copy (HarperCollins).
- Only older e-books are made available to libraries (Macmillan: 1,200 ebooks – test phase).
- (Penguin is only working with a limited number of libraries in a pilot program; Simon & Schuster is making its e-books available to New York City public libraries in a trial.)

An article published by the German book industry magazine buchreport on 18 October 2013 adds about Macmillan that the entire backlist, i.e. 11,000 titles, will be made available to libraries^{iv}. The business model is specified by explaining that libraries can rent out books, which have been purchased for US\$25 during the test phase, for two years or 52 times, respectively. All of the business models mentioned can be mapped with Klopotek. Interested in the details?

Possible mapping of Business Model with Klopotek Software

General view

- Product creation and maintenance in PPM
- Metadata feed to Distributor from PPM via XLM Export / ONIX Feeds
- Content hosted at publisher site
- Library is registered at distributor, patrons access defined there (see e.g. OverDrive)
- Customer for the publisher is the distributor
- First request for access to an e-book triggers the ordering process
- Library is invoiced by distributor
- Access request is handed through to publisher site / E-Delivery-Platform
- Publisher site registers Sale of e-book by distributor
- Sales are transferred as normal orders into BSD nightly
- Orders are invoiced in BSD and distributor receives invoice, e.g. on a monthly base
- Klopotek provides different MBS and API to integrate the complete workflow from publisher's Klopotek database to E-Delivery-Platform as well as the royalty calculation for the leased e-books

Overall Product Structure

E-books are created as electronic product versions in the product pool. If additional versions (print, multiple e-book formats) exist they are linked via the version structure.

All versions can be included in synchronization groups in a flexible way, which makes redundant maintenance of metadata on multiple records superfluous.

Price structure

On the e-book version a specific price type for libraries can be set up. The system allows an automatic generation of standard prices, based for example on version type or medium – sure, but the experience is, that a manual price maintenance is more convenient, but it's available.

Availability

The availability is in general depending on the delivery status and processing of the first release.

Order Type

To support a specific royalty rate the order type for the purchase of a library for rental use should be specific; if no special royalty rates should be applied – it is not necessary.

XML exports to Distributors

Product metadata is provided to distributors in a file format and structure which can be defined towards the requirements of the data recipient. This can e.g. be a XML export in ONIX format or a trigger oriented MBS adaptor.

Identification of titles for invoicing

The matching of products and prices has to be defined, e.g. using

- The ISBN or OrderNo and the edition_no
- E.g. edition_type, medium, order type

Messages to grant access for e-books

The service to grant access to an e-book is triggered either with the first order of an e-book, i.e. if an order is created this creates a message with the appropriate XML structure. Important to grant access to the appropriate piece of content are at least ISBN or order.no. and an identification of the library the patron belongs to. The combination of product / library has to be storable to identify additional access requests.

Order handling

The order handling is done by a Web Service. The Web Service offers the full functionality of the front end order entry with API calls, so that the one off order can be created incl applicable discounts etc.

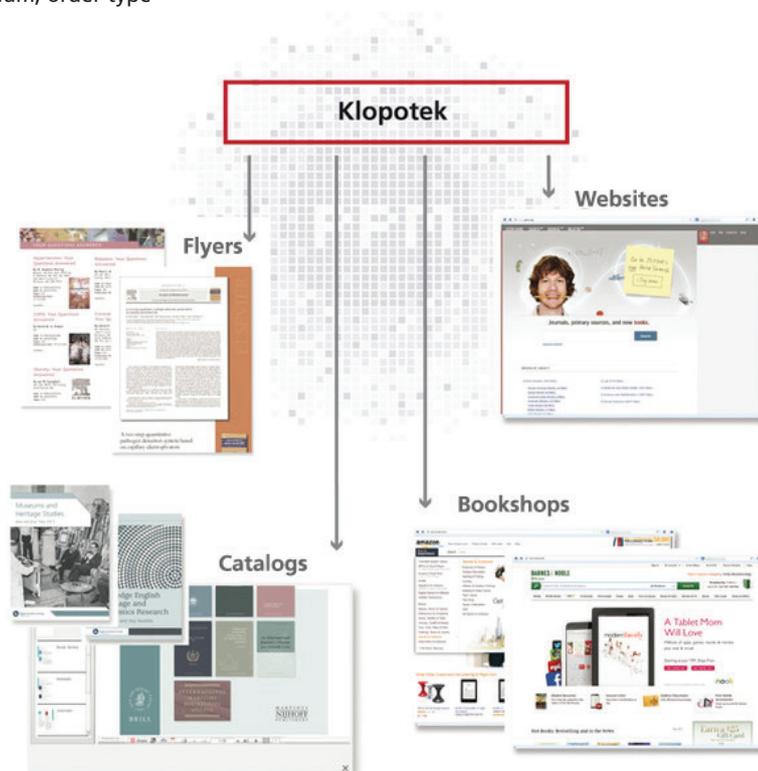
Royalties

Royalties are calculated on the base of purchase or on specific rules triggered by order type of the rental selling to the library.

Get in touch with us

Klopotek software supports a range of emerging and sometimes complex business models for making business with libraries, including streaming and other options for content rental.

For any additional information please contact Gritta Koener, Senior Consultant, g.koener@klopotek.co.uk.



ⁱ <http://www.franken-onleihe.de>

ⁱⁱ <http://www.onleihe.net>

ⁱⁱⁱ <http://paidcontent.org/2013/05/01/following-pilot-hachette-will-make-all-of-its-ebooks-available-to-libraries-nationwide/>

^{iv} http://www.buchreport.de/nachrichten/verlage/verlage_nachricht/datum/2013/10/18/11000-titel-fuer-den-e-book-verleih.htm