

## **The Society of Chief Librarians and The Publishers Association Report on the remote Ebook Lending Pilots**

### **Highlights**

- 893 frontlist titles made available for the remote e-lending pilots
- 4 library authorities – 2 urban, 2 rural – took part
- Pilot stimulated lending, attracted some new users (up to 4% of active borrowers), and was popular
- However, e-book downloads accounted for less than 5% of fiction borrowing within the pilot authorities
- 95% of users said that a greater range of e-book titles would encourage them to borrow more
- E-book borrowers bought more e-books than did other library users
- However, when asked about future intentions 39% of ebook borrowers indicated they were somewhat / much less likely to visit bookshops and 37% were somewhat / much less likely to purchase new physical books
- Very few users clicked the “buy” buttons next to pilot titles
- E-borrowers were wealthier and less likely to visit libraries than were other library users
- Librarians see remote e-book lending as a way to give greater choice to existing library members
- Librarians would expect to spend up to 25% of their book budgets on e-books – which would probably enable them to buy fewer new e-titles each year than were in the pilot collection

### **The study**

This pilot study of remote e-lending follows *An Independent Review of E-Lending in Public Libraries in England*, the report of a panel led by William Sieghart. The panel included Janene Cox, former President of the Society of Chief Librarians; Roly Keating, Chief Executive of the British Library; Caroline Michel, CEO of the Peters Fraser & Dunlop literary agency; Stephen Page, Chief Executive of Faber & Faber; Jane Streeter, bookseller and former President of the Booksellers Association; and author Joanna Trollope. They recommended that public libraries should offer both on-site and remote e-lending services, free at point of use, with a pilot study examining the business models for such a service as well as testing library users' attitudes to it.

The British Library Trust gave a grant of £40,000 to the Society of Chief Librarians to fund the designing of the pilot study with a research report. The SCL partnered with the Publishers Association who following a public tender; together selected MTM London to conduct the pilot. Arts Council England gave a second grant, to enable research into the likely purchasing behaviour of librarians, in the event of e-lending being more widely available.

### **Background**

E-books were available in the Nineties and – if you stretch the definition – earlier, but with very low sales. Amazon transformed the market with the introduction of the Kindle in 2007, since when e-book sales have risen dramatically. In 2014, there were signs that this growth was slowing, but e-books nevertheless accounted for 30% of consumer book sales by volume, and 47% of fiction sales by volume.<sup>1</sup> (Fiction is the largest category of books loaned from public libraries.<sup>2</sup>)

E-book lending in libraries has remained modest, however. As William Sieghart wrote: “Publishers... have been collectively nervous of applying the same model for selling digital books as for their printed counterparts, when it comes to selling to libraries. This is because of their concerns about remote downloading, where a library member downloads a book on to a digital device via the internet, avoiding the need for a visit to the library at all. This lack of ‘friction’ – a word often used in evidence to us – where there is no need to visit the library, means that the publishers and booksellers fear that it would be too easy to borrow a book for free. So easy in fact, that the borrower might never need to buy another book.”

However, Sieghart concluded that “the lending of digital books to their members at no cost should be an essential offering of the library service”. The offering should operate under principles including:

- The digital loan of a book should mimic that of its printed counterpart

---

<sup>1</sup> Nielsen Books & Consumers UK, 2014

<sup>2</sup> CIPFA stats October 2011, readingagency.org

- Library members should be able to borrow digital books remotely
- Loans of digital books should be made to one reader at a time
- Digital copies in libraries' collections should have limited lifespans, as physical books do

### **Aims**

The first issue for the pilot to address was whether there was a significant demand for remote e-book borrowing from libraries. The pilot also examined borrowers' behaviour and attitudes, addressing questions such as how borrowers reacted to the loan period restrictions, and how they reacted when titles were unavailable.

Addressing the concerns of the book trade (including authors), the pilot examined how e-book borrowing affected sales. Did borrowers go on to buy the books in the library catalogues, and were they more or less likely to buy e-books as a result of the availability of this free service?

Third, the pilot examined the implications of e-book lending for the library service in general.

### **The study**

The authorities that took part in the study were the preponderantly urban Peterborough City Council and Newcastle County Council, and the preponderantly rural Derbyshire County Council and Royal Borough of Windsor and Maidenhead. Peterborough and Windsor and Maidenhead ran seven-day lending periods, and Newcastle and Derbyshire ran 21-day lending periods.

Publishers made available for borrowing 893 titles, all of them considered to be frontlist and 150 of them released while the pilot was taking place – these kinds of titles had largely been unavailable to libraries' e-book collections. The titles accounted for up to 35% of the four authorities' total stocks of e-books, though in Derbyshire the figure was only 9%. However, even with the new titles, e-books made up less than 5% of the authorities' total fiction collections – a figure that should be borne in mind when assessing the apparently low levels of borrowing recorded in the study.

### **Impact of the pilot on e-book borrowing**

The pilot study did stimulate borrowing of e-books. In each of the 4 participating authorities, titles in the pilot collection were more popular than the authorities' existing collections, and new users joined the service. Users reacted positively, ticking phrases such as “moving with the times”, “a great new development”, and “safeguarding the future of libraries”.

The numbers were low, however. E-book downloads accounted for less than 5% of all fiction borrowing in the participating authorities (in Derbyshire, it was 2.4%), and new users represented well under 5% of active borrowers (in Derbyshire, 1%). In the four authorities, e-lending from the pilot collections declined during the course of the pilot.<sup>chart<sup>1</sup></sup>

### **The figures in context**

It will be noted that the fiction e-book borrowing percentage, at under 5% of total fiction, was roughly equivalent to the percentage of e-books in authorities' fiction stocks. Fewer than half of e-book borrowers said that they were happy with the range available, and 95% of them said a greater range of titles would encourage them to borrow more. The most popular 10% of titles accounted for up to 36% of the loans, suggesting that a consistent offering of bestsellers would attract more users and more borrowing.

Anecdotal evidence suggests that Amazon Kindle takes about 90% of the e-book market in the UK. Library e-books, in the Epub format, cannot be read on the Kindle platform. But this does not mean that e-book borrowing is limited to 10% of the e-book reading population. Dedicated e-reading devices – of which the Kindle is by far the most popular – account for less than half of e-book purchases, with tablets catching up.<sup>3</sup> Tablet owners may not be able to read borrowed e-books on the Kindle app, but have an array of other Epub-compatible apps from which to choose. Many library users who go to Amazon for their e-book purchases are nevertheless able to read the e-books that libraries offer.

While 28% of library users said that the service was “pointless unless Kindles are included”, a larger number (38%) disagreed with this statement. Among users who had borrowed e-books, the Kindle was the second most popular reading device, but at only 25%, behind the iPad (40%) – and tablets in general were more popular than e-readers in general. (It is interesting to note, given the older demographic of library e-book borrowers, that 31% of them read e-books on smartphones.)<sup>chart<sup>2</sup></sup>

The conclusion must be that the unavailability of titles for Amazon Kindle – which has its own limited lending service – is a weakness in libraries' e-book offering but not a serious impediment to their development of e-book lending.

### **Commercial impact**

From publishers, there is no evidence that the pilot damaged their e-book sales. They are unable to pinpoint e-book sales to precise geographical areas; and, even if they were, they would be unlikely to notice an effect from the limited numbers recorded here.

From e-book borrowers, the evidence is more mixed. Remote e-lending users were already enthusiastic buyers of e-books. They bought more than 12 e-books in the previous 12 months, nearly twice as many as did other library users. When asked about their future intentions, just under a third said they were less likely to buy e-books, but the same number said that they were neither more nor less likely to buy. Also the same was the number saying that they did not buy e-books anyway and the number saying that they intended to buy *more* e-books – 18% in both cases. More than half of borrowers said that they would buy fewer e-books if libraries stocked a greater range for borrowing – and 22% of them said that a greater range would *encourage* their e-book purchasing.

---

<sup>3</sup> Nielsen Books & Consumers UK, 2014

When asked what their reaction would be to a broader range of e-book stock, more than half of e-book borrowers said that a greater choice of free titles would reduce their spending on e-books, but a significant number (22%) thought that they would be stimulated to buy more.

chart<sup>3</sup>

The evidence on whether e-book lending will lead immediately to sales is much clearer. It won't. The number of users who clicked on the "buy" buttons next to pilot titles was tiny – well under 1%.

E-book borrowers bought fewer print books than did other library users during the pilot period. When asked about their future behaviour, half of them said either that they no longer bought print books at all or that they were less likely to buy print books in future (13% and 37% respectively).

The pilot involved two "frictions" designed to mimic the limits on supply in physical book lending: one e-book "copy" could be lent to only one library user at a time; and users had to return the e-books after seven days (Peterborough, Windsor and Maidenhead) or 21 days (Newcastle, Derbyshire).

If, because of the single-copy rule, library users could not find the e-books they wanted, they were far more likely to reserve them, choose different titles, or even search for the print equivalents than to try to buy them (though in Newcastle, 27% of users said that they usually bought e-books that they could not find in the collection).

As a result of the tendency to switch to different titles, greater proportions of the e-book collections were borrowed in the authorities with 21-day lending periods (which meant that titles, which could not be returned early, were more likely to be out on loan) than in those with the seven-day periods.

Readers' feelings about the lending periods depended on the question they were given. When asked to rate their satisfaction with the service, more users in the seven-day authorities expressed happiness with the lending period. However, asked about aspects of the pilot that they didn't like, more users in the seven-day authorities ticked "Lending period is too short".

### **The e-borrowers**

Remote e-lending users were older, from a more affluent demographic, and less likely to visit their local libraries than were other library users. Sixty-eight per cent of them were above the age of 45 (whereas 47% of all UK library visitors fit this profile). Chart<sup>4</sup>. Browsing their libraries' websites was how they were most likely to discover that the e-book service was available, and browsing and borrowing from home was their most favoured reason for using the service.

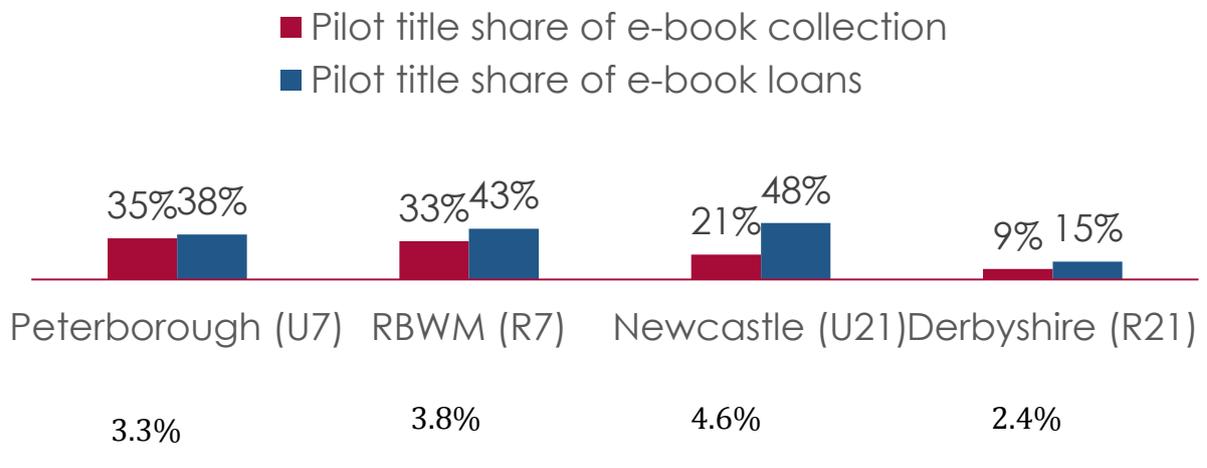
### **The future for e-book borrowing**

As we have seen, the pilot programmes generated only a limited number of new users of the e-lending service. Initially, librarians largely see e-book lending as a way to give more choices to existing members – and particularly to older members, who may want to access the service from home. However, both Derbyshire and Newcastle Library Authorities were beginning to explore how they could use the collection to engage new audiences from hard to reach groups. It is possible that an exponential growth in e-book stocks would attract many more people, and would certainly be welcomed by those who already borrow e-books (95% of them would increase their borrowing if a broader range of titles were available). If publishers broadened their e-book offerings to libraries, most libraries would expect to allocate less than 25% of their book budgets to e-book purchases. Given pressures on budgets, librarians considered it unlikely they would be able to invest in 1000s of additional e-books each year.

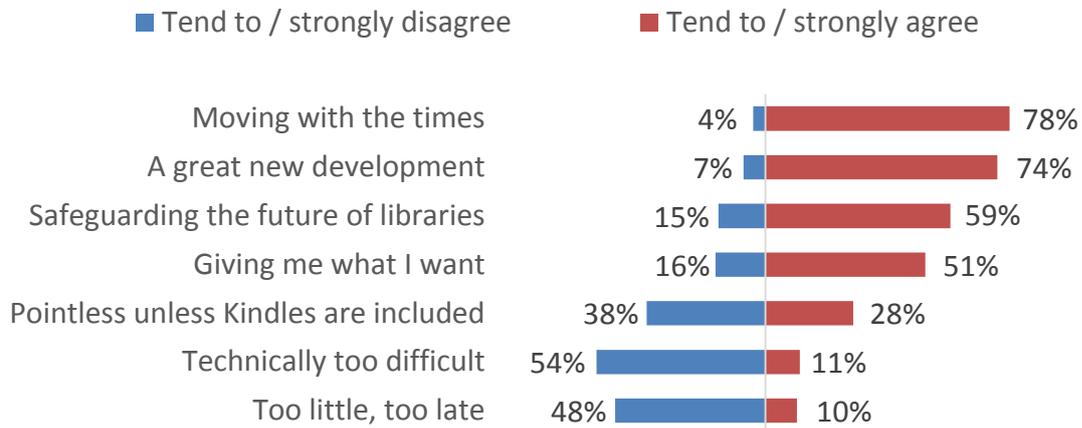
William Sieghart wrote in his report that the development of digital lending was vital if libraries were to remain relevant to their communities. E-books are popular with a significant number of readers, and can enable libraries also to enhance their offerings to groups such as the partially sighted, the elderly, and the housebound. This e-book pilot – well-received by library users and by librarians – confirms the value of e-book provision that Sieghart identified, and points the way towards a future for digital lending across the library network.

**Charts referred to in Report**

chart<sup>1</sup>



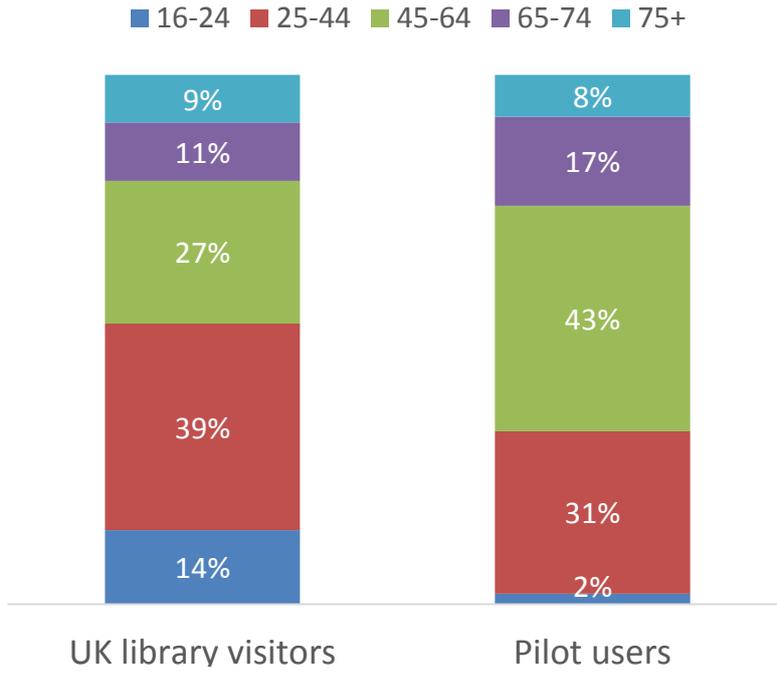
chart<sup>2</sup> **Impact of e-lending scheme on library services amongst those aware of it**



chart<sup>3</sup> **Impact of e-lending on purchasing activity amongst remote e-lenders**



Chart<sup>4</sup> **Profile of remote e-lending users vs. UK library visitors**



69%  
ABC1

43%  
45-64yo