APPENDIX C: Business models and licensing

Currently business models for e book vendors vary considerably; thus far, no two seem to be alike. A handful of vendors market to libraries, but one of the largest vendors in development stages (Questia) plans to market to individuals. Although Questia claims to partner with libraries, initially it will not be marketing to libraries at all.   Ebrary initially planned only direct marketing to individuals. Its plans now focus on selling deposit account to libraries and academic institutions. As users identify useful material to print or download, the cost would be deducted from the library account or subaccounts designated by the library patron's ID.

The business models of major e book vendors so far claim a role for libraries, but it is not clear that libraries are truly considered a viable part of their marketing plans. Although vendors openly claim libraries remain viable and valuable partners, and that, in fact print circulation increases for titles also offered in electronic form, the traditional roles of archiving and lending become murky. Huge databases are being developed, some with librarians selecting titles, others only with information that publishers will allow to be converted to e books, so that creation of cohesive collections by major vendors is not clear.

APPENDIX C-1: Ebook Product Overview

Vendor	Business Model	Product Type	Intended Audience
NetLibrary	Subscription to copies of individual titles with access of single-user per copy and a premium for "ownership"	E-Books covering a broad range of disciplines.	Libraries and academic institutions.
Questia	Flat monthly subscription rate for access to the entire database. Marketing only to individuals, not libraries.	Scholarly, high-quality books and journal articles in the liberal arts.	Undergraduates, public library patrons, and other individuals
Ebrary	Free browsing of the entire database with fees for printing and downloading. Marketing both to libraries and individuals. Anticipating that libraries will establish accounts with a maximum amount to spend per user, identified by patron ID. Library to receive 5% of revenue generated from the library's account.	Archive of resources for term papers. Starting with science, technology, & medicine. Marketing bits of information or entire books and articles.	Library users of all sorts, including undergrad and researchers. Both libraries and individuals expected to open accts with Ebrary for access to its service.
Book24X7	Annual subscription model that is FTE-based; allowing BCR to aggregate FTE for academic institutions for greater economies. Pay for any new content added to the service during the subscription year at renewal the following year.	Technical E-books, journals, and reference materials. Primarily information technology.	Libraries and academic institutions; public libraries.
iBooks.com	Short and long-term subscription to ebooks; sales of printed works. Marketed to libraries and academic institutions. Sales directly to individuals.	Digital technical reference books in information technology. Online digital bookstore for discounted print copies.	Library patrons, corporate customers, etc.
ITKnowledge		Ebooks in information technology	
Cognet	SPARC initiative with favorable pricing for academic institutions. Markets annual subscriptions to libraries.	Ebooks for major books and reference works in cogni-tive science from MIT Press and other publishers. Other relevant journals and cog sci materials.	Cognitive science community of students and scholars.

APPENDIX C-2: Ebook Products and the CDL Principles

Vendor	Content/Access				Licensing		Usage
	Archiving	**Perpetual Access**	**Linking to/from Content**	**Content Completeness**	**Fair Use/ Classroom Use**	**ILL**	**Use Data Available**
NetLibrary	Yes, OCLC archives all purchased titles which would be available to purchasers if netL "closed its doors".	Ownership available at a premium (Only 1 fee; up front for perpetual access to titles)	Provides MARC records to link to eBook	Some eBooks lack graphs and illustrations	Classroom use ok, but can't reserve book in advance. Fair Use: print only 1 page at a time.	None allowed	Yes. Has good stats component that reports by title, most popular subjects & titles, turnaways, etc.
Questia	Archives material but not available to customers	No ownership of data accessed or purchased. Can pay to cut/paste or print.	Marketing directly to user on a view online basis, so no linking. Do use MARC records internally	Not complete where unable to obtain rights to illustrations. Always seek more rights. Now have 60% of image rights	No classroom use. Have to buy large pkgs of subs to cover each student. Fair Use: can only print limited amounts of work.	None allowed	No stats available to customers. Do produce stats internally but no plans to share with customers.
Ebrary		No ownership of data accessed or purchased		Yes, uses PDF			Tracks usage; does it report? (libraries get 5% of revenues)
Book24X7							
iBooks.com			No linking at all				
Cognet (titles accessed via netLibrary)	Archive material available in PDF format	License included ownership	Will eventually provide MARC records; problems with accessing eBooks if campus also has subsc.	Yes, complete content from MIT Press (marketed by MIT Press)	Classroom use ok;		

ITKnowledge recently closed its electronic doors. Earthweb has discontinued this product line entirely and will be issuing refunds for outstanding subscriptions. **IBooks.com** covers this same type of content and may be worth investigating.
Books24X7 will no longer be soliciting or accepting library subscriptions. Will not be pursuing consortial partnership with NELINET.

APPENDIX C-3a: NetLibrary Business Model

Overview

netLibrary offers a business model based on the list price of a book plus Service Fees. Annual service fees are equal to 9% of the sum of the list prices for all the eBooks in the order at the time of initial licensing. Subsequent years' fees will be adjusted by additions or deletions from the collection.

Subscribers can opt for an **annual** service option or a **perpetual**, prepaid service option, analogous to leasing vs. purchasing the title. The premium for perpetual service is 50% of the list price. There are volume discounts that reflect the dollar value of annual sales revenue from an institution (see the table below).

By netLibrary's agreement with publishers, use is limited to one user at a time. NetLibrary has extended different terms to CSU by allowing CSU campuses, on a one-year trial basis, to provide unlimited simultaneous access to publications.

The simplest form of access control is filtering IP addresses, but access can also be metered by referring URL or IDs and passwords.

The following is the statement of Fees and Terms provided by netLibrary.

netLibrary eBook License Fee Pricing and Purchase Terms

Exhibit A

netLibrary eBook licenses will be sold at NL's list price, subject to discount as provided below.

Customer Category	Total 12-month sales in $$	Maximum Discount from List Price
One	$1,000,000	15%
Two	$500,000	10%
Three	$250,000	8%
Four	$100,000	5%
Five	$20,000	3%

*   Minimum initial order is 500 eBooks.
*   Discount pricing is based on one contract and one billing address.
*   The discounts are guidelines and will vary by title.
*   A category level for a given month is defined by the total dollar volume purchased by the customer over the previous 12-month period.
*   Payment terms: 30 days net.

Exhibit B

netLibrary.com Services

1.   Licensing of eBooks

NL will grant Customer licenses to copies of eBooks available to NL under NL's agreements with publishers and other sources, subject to the terms of this Agreement and to availability in a format suitable for netLibrary.

 a) Absent other mutually agreeable arrangements, and except as provided below, each licensed eBook shall be available on the Customer netLibrary.com for as long as Customer elects to receive and pay for the netLibrary.com Services.

 b) Within 60 days of the annual anniversary of the license date (or, if applicable, the reinstatement date), for any eBook, Customer may elect to have the eBook removed from the Customer netLibrary.com, and thereby suspend its obligation to pay Annual Service Fees for that eBook.

 c) On at least 30 days' written notice effective as of the first day of a month, Customer may elect to reinstate any removed eBook, upon payment of the Reinstatement Fee set out on Exhibit C. Service Fees for reinstated eBooks shall be payable commencing on the reinstatement date.

 2. Patron Internet Access

 NL will implement a system, based on NL's standard netLibrary system, under which Customer's Patron's will have controlled access to netLibrary. Typically, Patron access is controlled by valid IP address, referring URL, or Customer ID and password. Other Patron access methods will be considered on a case-by-case basis.

 3. Reports

 Service Fees entitle the Customer to the standard reports offered by NL with netLibrary.com. These reports may include but are not limited to: current discount schedule, transaction history, owned eBooks, popular eBooks, eBooks not owned, all eBooks, new eBooks, activity by subject area and activity by title. Non-standard reports may be developed for a fee on a case-by-case basis.

 4. Training

 NL will provide training to Customer in accordance with NL's standard training policies.

Exhibit C

netLibrary.com Service Fees

The annual service option (as opposed to the perpetual service option) has changed slightly. Instead of a declining annual fee starting at 15%, there is now a flat 9% fee for all years. [Please do not forward this information to outside parties without consulting with netLibrary first.]

The Service Fee is a charge for ongoing Internet access to eBooks and related services, including the netLibrary.com Services, maintenance of Customer netLibrary.com and the continual upgrade and maintenance of the technology and bandwidth. Customer shall choose one of the two Service Fee options described below (Annual or Lifetime) on an order-by-order basis by indicating its election on the applicable purchase order. If Customer does not choose an option on any purchase order, it shall be deemed to have selected the Annual Service Fee for that order.

In addition, a Customer that has selected (or is deemed to have selected) the Annual Service Fee for a purchase of eBooks may, at any time before the first anniversary of the licensing of those eBooks, elect the Lifetime Service Fee option. This election may be made by written notice to NL, and payment of the Lifetime Service Fee in the amount of 41% of the sum of the list prices for all the eBooks in the order at the time of initial licensing (i.e., 50% of such list prices, minus credit for the 9% paid for the first year).

Payment of Service Fees allows the Customer to access the applicable eBooks on netLibrary.com and to receive the netLibrary.com Services for as long as Customer continues to pay (or has prepaid) the applicable Service Fees and the eBook has not been removed. Continued access to the eBook is subject to the netLibrary.com Terms of Use.

Option A: Annual Service Fee

*   The Annual Service Fee for an order shall equal 9% of the sum of the list prices for all the eBooks in the order at the time of initial licensing. The total Annual Service Fee in each of the second and subsequent years shall be reduced by the portion of the first-year Annual Service Fee attributable to any eBook removed from and not reinstated to Customer's collection.

*   The first payment of the Annual Service Fee for an order shall be due at the time of purchase, and shall be included on the invoice for the corresponding license fees.

*   Annual Service Fees for the second and subsequent years for all orders shall be calculated and invoiced in the month in which the annual anniversary of the initial order date occurs.

*   For the Annual Service Fee option only, the Reinstatement Fee for an eBook shall equal 15% of the list price.

Option B: Lifetime Service Fee Prepayment

*   Customer may prepay Service Fees for an order by a one-time nonrefundable payment of 50% of the sum of the list prices for all eBooks in the order at the time of initial licensing.

*   Upon payment of the prepaid Lifetime Service Fee, the Customer shall have perpetual Internet access to the appropriate eBook(s) and perpetual rights to receive the netLibrary.com Services.

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APPENDIX C-3b: Ebrary's Business Model

Background

ebrary is an online service that enables library patrons or individuals to search its digitized archive of electronic documents and pay for specific portions of text for printing or copying into work-in-progress papers. ebrary's collection is growing, and covers a range of disciplines including, but not limited to, arts and humanities, sciences, engineering, technology, medicine, and law.

Collection sources include scholarly and trade book publishers, institutional and professional databases, and digitized library archives.   Document types include books, journals, periodicals, Stanford technical reports, and maps, and will expand to include whatever the participating publishers provide. Ebrary is also talking to the Bancroft Library about access to its resources in digital form.

ebrary users will be able to

1. View content true to its original physical format with no restrictions.
2. Access supplemental information by using ebrary's InfoTools(TM) to obtain definitions, explanations, translations, biographies, and map locations.
3. Pay to print a page or a range of pages.
4. Pay to copy and paste segments of pages with automatic citations.
5. Pay to download whole documents to disk or into ebook readers.
6. Pay to have documents printed on-demand and delivered.
7. Purchase books and documents from one of its vendor partners.

Document Format

Ebrary documents are currently provided exclusively in Adobe's PDF format. It may use other formats in the future that are not considered economically viable at the moment. PDF is a high-quality printing format and Ebrary assumes at this point that printing will be its main revenue stream.

The works stay online and users have to be connected to read until they purchase units of information.

Structure of the business model

This business model is entirely different model from the netLibrary model. NetLibrary is requiring libraries to pay up front for selected content. Ebrary will be available for open access on the Net, available to anyone to search freely the available content. The books will be readable online for free and there will be unlimited use (i.e. no concept of "copies" or "licenses"). The user must pay only to print, copy, or download. A user can purchase a print or electronic copy of any portion of a work(s). The model is based on the premise that people pay for convenience. Any printing or copying (to clipboard) will carry a charge. Users purchase offline copy (downloads, cut-and-paste copying, etc.) with credit cards, similar to the concept of a library photocopy card.

In short, Ebrary deals in bits and pieces of information rather than entire ebook items, which cannot be downloaded to the reader's machine (except a few pages at a time) or printed from the user's machine as whole books. Ebrary expects this model to evolve over time. Since it originally did not plan to market to libraries at all, the model has already changed in some important ways. Ebrary advertises that it will increase the library's holdings at no cost.

Ebrary expects to establish at least two types of accounts:

1) The user pays for the printing of actual pages or for bits of information by establishing an account directly with ebrary, in the form of an electronic wallet. All payments required for purchases are deducted from the user's account. Ebrary recommends a price of 15 cents per page or 25 cents per page with citations.

2) Ebrary expects libraries to establish accounts for general use, particularly for patrons who don't have a credit card, for example, those who are under age. Libraries will place sums of money in an Ebrary account and patrons draw on that account. Ebrary will be able to track and limit the amount of money that a single patron spends based on patron ID (e.g., the patron's library card number which he or she would be asked to enter at the point of "sale"). Ebrary would track usage and enforce limits of copying and printing on a user-by-user basis. Thus, the library provides access and ebrary handles the costs of the materials and the transactions. The library is not responsible for materials not used by patrons, yet has access to them if a patron requests it. There may be further in-house library costs for printing which would be independent of ebrary costs.

Printing cost is currently $.15/page, and copying is $.75. Ebrary characterizes its model as "micro-payment for the reproduction of specific content".

For works that are digitized by the library, the library receives 60%, ebrary receives 40%.

The Publisher's Part

Publishers can set the costs, as well as the limits on how much can be printed or copied. Publisher revenues will be derived from fees charged for materials downloaded or printed. Publishers will receive 80% of the payment. Ebrary receives the remainder. Random House, Pearson, and McGraw-Hill have all announced that they have made investments in ebrary.

Advantages for Libraries

A library partner agrees to incorporate ebrary as an information resource and research tool to be used within its computer network by its patrons, students, researchers, and staff. Ebrary suggests that this will be advantageous to libraries by

1) Enabling libraries to generate revenue through a revenue sharing model. Ebrary will share 5% of all micro-transaction revenues generated at library terminals with the Library Partner. In return for revenue sharing, Library Partners are requested to

   a. Include ebrary.com as part of the library homepage or enter into a co-branding arrangement for the library homepage.
   b. Display provided point-of-terminal promotional materials around appropriate computer terminals.
   c. Allocate time during library seminars and tutorials to demonstrate the functionality of ebrary.com.

2) Eliminatig the high costs associated with interlibrary loans.

3) Providing a free search tool and free searching of the texts online, thereby speeding up the research process and minimizing the time computer terminals are tied up by patrons.

4) Enabling the Library Partner to learn as much as possible about its patron base and their research and collection needs by providing the library with detailed activity reports down to the page level, including a summary of transactions; popular titles viewed, copied and purchased; and activity by author, publisher, etc. Reports include:

Popular titles printed from
Popular titles copied from
Popular titles viewed
Activity by author
Activity by publisher
Activity by title
Activity by discipline

The library can access the record of transactions at the ebrary.com web site. Libraries will also be provided with tab delimited ASCII files to be imported into their database system(s).

Library payments will be made on a monthly basis. For private and special libraries that prefer to subsidize the costs of their patrons' content usage, the 5% can be given in the form of a discount rather than a commission.

Archiving/Persistent Access

There is no guarantee of persistent access. The publishers themselves are responsible for archiving, although ebrary is storing the content that is actually accessed. At any point, a publisher can withdraw all or part of its collection. The model here is "use it or lose it" because, if the publishers don't make money either the free collection or unused portions will go away. (Thus, libraries making use of this collection are motivated to encourage payments.)

Libraries can add their own licensed content to the pull-down menus in the interface and use ebrary search engine to do cross-database searching.

Ebrary can supply MARC records for each of its titles. There is no apparent plan to delete a record when a publisher withdrew a work. However, if a publisher withdrew its entire collection presumably there would be some way to identify those records in the catalog and delete them.

Presumably a library could create a collection by selecting the MARC records to import. Is there a charge for the records. Are they raw LC MARC, with no holdings information, but there will be an 856 field.

Ownership

Ebrary's model is one of one-time use of text selected. Neither the library nor the patron have perpetual ownership or guaranteed access to any materials beyond the print copy in hand.

MEE
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APPENDIX C-3c: ACLS History E-Book Project

Background

The American Council of Learned Societies (ACLS) is a private non-profit federation of 63 national scholarly organizations. Launched in 1999, The ACLS History E-Book Project is a collaborate effort with five learned societies (the American Historical Association, the Middle East Studies Association, the Organization of American Historians, the Renaissance Society of America, and the Society for the History of Technology) and seven university presses (Columbia, Harvard, Johns Hopkins, University of Michigan, New York University, Oxford, and Rutgers) to prepare and publish history books electronically.   Its goals are to assist scholars in the electronic publishing of monographs in history, to help assure the continued viability of the history monograph in today's changing publishing environment, and to explore the intellectual possibilities of new technologies.

The ACLS History E-Book Project goes online in July 2001. This digital library of history will be available on the website of the History E-Book Project at http://www.historyEbook.org, though there is nothing yet available at this site.

Project Directors are Eileen Gardiner (egardiner@acls.org) and Ronald G. Musto (rgmusto@acls.org).

The BackList

The E-book project is beginning with a basic collection of 500-600 titles in history. To select the titles, project directors reviewed 1500 history book titles from the publishers' monographs lists and selected 700. The publishers deleted additional titles for a variety of reasons; for example, they were still good sellers in print or the publisher did not own all the rights to the content. The ACLS is signing contracts now for these titles and has begun conversion to electronic.

The Front List

The ACLS is also actively working with the presses on forthcoming history books that have electronic potential. It is developing templates and standards for 85 new history titles which will also be published both in print (by participating presses) and online in the History E-Book Archive. The online versions will be expanded with hyperlinks and other technological features not available in print. They will be added to the web site as they are completed.

The Developing Business Model

The ACLS is only beginning to construct its business model for access to the History E-books. It will offer access by annual subscription for both individuals and libraries. (It was the societies who pressed for subscriptions for individuals, which they felt would be attractive to their membership).

They are currently developing their pricing models, which could be as low as $300 annually for a very small institution. The ACLS is attempting to determine what would be a fair return for the presses and sufficient funding to keep the project going. The intent is to attract the broadest subscription base at the lowest possible price.

On behalf of the CDL and the JSC E-book Task Force, Mary Engle has lobbied for one-time purchase, perpetual access, and basic priniciples of fair use. ACLS will be speaking at ICOLC.

APPENDIX C-4: E Book Projects of Academic Publishers, Scholars, National Libraries

Version 2-8-01 AG

NAME	URL	DESCRIPTION
PUBLISHER PROJECTS		
Springer book series	http://link.springer-ny.com/ol/index.htm	Lecture notes in computer science and other monographic series. CDL in licensing discussions.
National Academy Press	http://www.nap.edu/	More than 1,500 reports from the National Academies. Free, searchable. Open-ended collection.
UC Press E-editions	http://www.ucpress.edu/scan/books.html	Approximately 60 electronic editions of selected UC Press books available in the following subject areas: International Studies, Classics, Literature, History, Anthropology, Politics, and Religious Studies. Readable on web, hypertext, not PDF, uses Dynaweb modified browser?
Penn/OUP Digital History Books Project	http://digital.library.upenn.edu/oup-public/html/overview.html	Mellon-funded research project. "OUP is granting the Penn community unlimited access to the full set of project texts, a collection anticipated to number between 1,500 and 2,000 books over the next five years. A public site will offer the full text of sample books." Announced Jan. 2001. Texts distributed as PDF. Text search option plus direct link from e-text to Penn's OPAC record for hard copy.
ENGnetBASE	http://www.engnetbase.com	PDF version of over ten engineering handbooks from CRC Press.
Java Reference Library, Web Developers Library	http://online-books.ora.com/mod-bin/books.mod	Full text of O'Reilly books.
NISEE	http://www.eerc.berkeley.edu/	Small number of books produced using OeB specification. (Earthquake engineering content.)
MDConsult	http://home.mdconsult.com/groups/ucsd0214.html	Full text of over 35 clinical reference textbooks, plus 50 clinical journals, practice guidelines, drug information, and more.

NAME	URL	DESCRIPTION
PUBLISHER PROJECTS		
CURATED SCHOLARLY & HISTORICAL TEXTS		
ACLS History E-Book	http://www.historyEbook.org/	Developing basic collection of 500-600 "essential backlist" titles in history, supplemented with 85 new titles. Project began officially Nov. 2000. Mellon funding. Supported by University of Michigan Digital Library Production Services.
Oxford Text Archive	http://ota.ahds.ac.uk/	Project to collect, catalog, and preserve high quality electronic texts for research and teaching.
UVA Etext Initiative	http://etext.lib.virginia.edu/	Major repository of literary electronic texts. Not all availiable to the public. <Using OeB's XML and Microsoft Reader.?>
LION: Literature Online	http://lion.chadwyck.com	260,000 works of English and American poetry, drama, prose, biographies, bibliographies, and key secondary sources. Searchable.
Cornell Digital Library Math Collection	http://moa.cit.cornell.edu/dienst-data/cdl-math-browse.html	571 books scanned from originals held by Cornell; indexed by author and title
Making of America	http://moa.umdl.umich.edu/	8,500 volumes, funding from Mellon Foundation and technical support at U of Mich Digital Library Production Services. Publicly-accessible, 19th century American publications containing over 3% of all American imprint monographs, primarily published between 1850 and 1876. "MoA offers users the opportunity to view faithful replicas of the original source materials, perform full text searches over the entire collection, search within individual texts, and save searches and develop bibliographies using the MoA "book bag."
Gallica (Biblioteque nationale de France)	http://gallica.bnf.fr/	PDF format, massive digitization of electronic texts from the middle ages to the 19th century.
MANY NICHE COLLECTIONS LIKE:		
?African American Women Writers of the 19th Century	http://digital.nypl.org/schomburg/writers_aa19/	From NYPL's Schomburg collection

NAME	URL	DESCRIPTION
PUBLISHER PROJECTS		
Library of Southern Literature	http://metalab.unc.edu/docsouth/southlit/southlit.html	Literary and historical texts from the collection "Documenting the American
?ABU: La biblioteque universelle	http://cedric.cnam.fr/ABU/	Collection of French literary texts
?Classics in the History of Psychology	http://www.yorku.ca/dept/psych/classics/	Texts of historical significance in psychology, in the public domain.
?British Women Romantic Poets, 1798-1832	http://www.lib.ucdavis.edu/English/BWRP/	Electronic text project at UC Davis. SGML and HTML.
NONSCHOLARLY HISTORICAL TEXTS		
Project Gutenberg	http://www.promo.net/pg/	Most books that are available are pre-1923 editions, and are in the public domain. Plain ASCII. Searchable. Open-ended collection.
Online Books Page (Penn)	http://digital.library.upenn.edu/books/	Free, "contains 11,000 titles. Searchable by Author, or Title. Browse by Author, Title, or Subject Category (sic)." Includes section for "Celebration of Women Writers".
Internet Public Library	http://www.ipl.org/reading/books/	
OTHER		
PRDL: Pacific Rim Digital Library	http://www.prdla.org/	Includes Chinese current imprints (http://prl1.sdsc.edu/bjss/), Pacific Explorations Archive (http://www.prdla.org/pea/) and more. PDF.