E-book lending models in Flanders and the Netherlands in context

Perspectives for the future

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1 Introduction

In this brief supplement to the Civic Agenda report, the Flemish and Dutch E-book models are discussed in the context of the other models described. The research conducted by Civic Agenda has yielded many valuable insights in the current development of e-book lending models in a number of European and other countries (US and Canada). The report clearly demonstrates how all over Europe and in North America librarians, authors, publishers, policy makers, lawyers and enterprises are working toward developing viable models for library e-lending services. At the same time, conflicting interests and diverging jurisdictions make it hard if not impossible to arrive at 'the' ideal one-size-fits-all model to be put into practice in the regions studied.

This add-on to the Civic Agenda report is meant as a further step in trying to reduce the complexity in the reality of e-lending models. Results from a statistical analysis of the Civic Agenda data are reported. First, the 19 models - the two Dutch models (the members-only e-book portal and the holiday app for everyone) are discussed separately - are depicted in a two-dimensional space and their relative positions on the two dimensions are described. Next, based on these insights and general knowledge of the current economical, legal, socio-cultural and technological realities, possible directions for developing and extending the Flemish and Dutch models are sketched.

2 A helicopter view

In the Civic Agenda data collection, the 19 e-lending models were scored on a large number of variables. Of these, 25 could be used for analysis. Showing a large number of missing values, quite a number of variables could not be used.[1] All in all, the remaining 25 model characteristics provide sufficient information to perform a solid enough analysis.

For this purpose, a procedure called HOMALS ('homogeneity analysis by means of alternating least squares') was used in the IBM SPSS statistical software package.[2] This procedure is perfectly suited for the analysis of categorical variables whose categories do not have a logical order or an underlying natural scale. An additional advantage is that the procedure can handle missing values on one or a limited number of variables without problems, so that none of the e-lending models had to be excluded from the analysis.

The analysis procedure calculates estimates of the homogeneity between the variables (scores) and the cases (the 19 e-lending models) and depicts them in a one dimensional or multidimensional space. The number of dimensions is up to the user to decide; the algorithm does not provide a recommended number.[3] For reasons of simplicity a two-dimensional model was chosen.[4]

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[1] The most important variables were the indications of the costs of the models. Whereas some countries reported costs per loan, others provided indications of total costs, or a combination of the two. It turned out impossible to arrive at comparable estimates for *all* the countries/models due to a lack of indications of total borrowings in many models (which does not, to be sure, preclude pairwise comparisons like the ones reported in the Civic Agenda study).

[2] Version 22 for Mac OS X.

[3] Homogeneity analysis is a purely descriptive technique, unlike many other multivariate (explanatory) techniques that make a distinction between model and reality, and provide fit and significance estimates for how closely the model fits reality (cf. van den Berg 1986).

[4] Eigenvalues of the dimensions: .265 and .254. Allowing for a third dimension would have yielded an eigenvalue of .218, indicating additional interpretative value. This would, however, have complicated the interpretation considerably.

Figure 1 below displays the 19 models (see the appendix for names and scores). The more models are alike, the greater their homogeneity based on the combined 25 underlying variables. To interpret the graph, a description of the two dimensions is needed. This is not as straightforward as in theoretical/analytical models where dimensions are often clear-cut and bipolar (because there is only one underlying dimension).

Figure 1 Four groups of e-lending models

The *first (horizontal) dimension* makes a distinction, above all, between models with and without costs for e-lending for the users. Paid membership models are to be found more to the right, as are models with supplementary payments by users (e.g. to enable borrowing of recently published titles). This explains why both the Dutch e-book platform and the Flemish model are to be found on the leftmost side of the graph, setting them apart from most other models.[5]

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[5] At the time of finishing of this report (December 2014), it was still unclear whether or not the Dutch e-lending platform will eventually include a supplementary payment scheme for recently published titles. In the analysis performed here, it is assumed that it will (which was the plan mid-2014 when the data were collected). An

Another important factor is the license model, with pay-per loan, one copy-multiple users models (esp. Netherlands, Flanders and the Czech Republic) on the left side and single user licensing models (one copy, one user) to the right, with the other licensing models in between. Furthermore, the number of titles available for e-lending mildly affects the position on this dimension as well. Models with large e-book collections for lending tend to be located more to the right hand side of the graph. Whether the e-lending platform is integrated in the library system and web portal is a further factor of importance here. Partially integrated (only metadata) models tend to be on the left, fully integrated models in the middle and non-integrated models on the right of the first dimension.

The *second (vertical) dimension* indicates, above all, the amount of control libraries or their controlling bodies (ministries, councils) have over the platforms and the e-books on offer for e-lending. Models in which the ownership of the platform and the books (content) is in the hands of the libraries or their consortia, and in which the libraries are in control of determining which titles are on offer to their patrons, tend to be in the lower half of the figure.

In the upper half, models are to be found in which ownership of the e-lending platform is in the hands of third, mostly commercial parties; and where the choice of titles is the result of negotiations between libraries and publishers. Cooperative negotiations between library consortia and publishers (and/or rights holders) associations lead to a position in the lower half, whereas a conflicted situation expresses itself in a position in the top half of the scheme. Furthermore, models having an e-book streaming facility tend to score lower on this dimension, whereas models lacking this technology are more likely to be in the upper half of the scheme.

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additional analysis showed that the position of the Dutch model would still be in this group might the supplementary fee not materialize.

Figure 2: Snapshot of the Dutch e-book lending portal
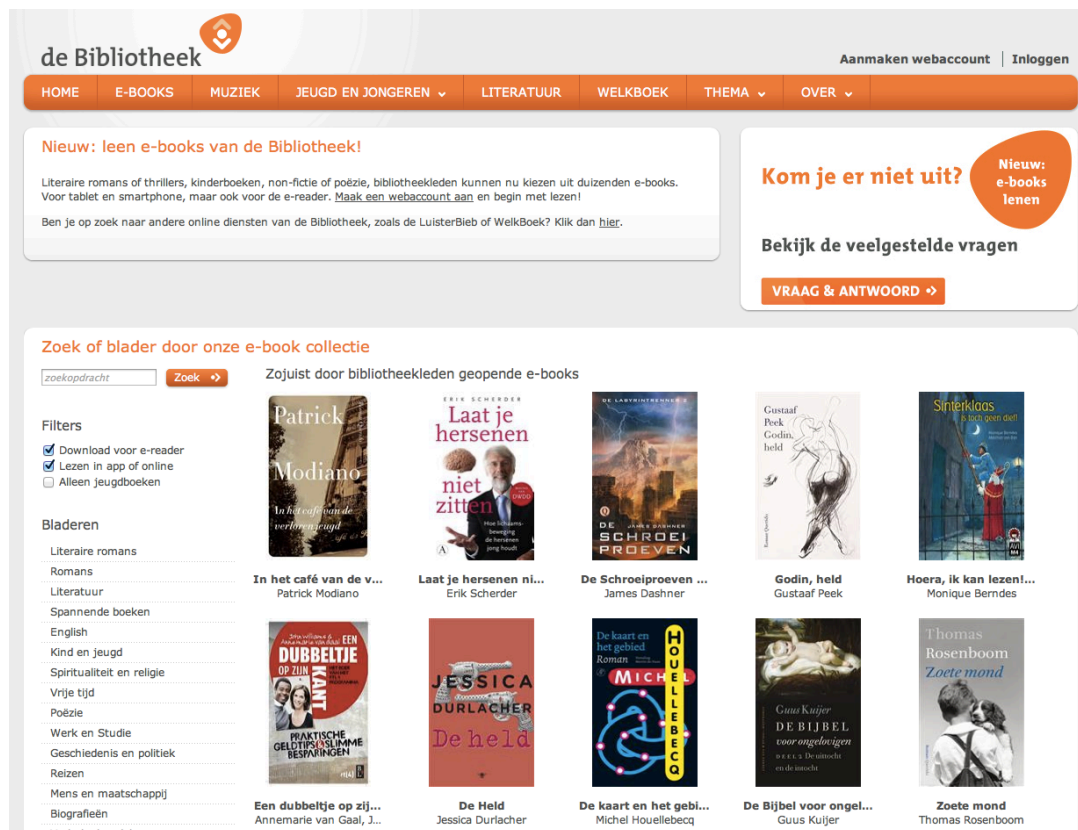
3 Four groups of models

Looking at the positions of the models in the graph, four groups can be discerned. They have been given separate shapes and colours. Their positions on the dimensions having been calculated on the basis of 25 variables, the models in each group do not need to be similar in all respects. The blue square- and yellow triangle-models, for instance, are not so easily typified and distinguished from each other by one or two variables alone. Yet, with a close look at the data they might be typified as follows:

1. *Unlimited use, one-copy-multiple-users models*: Netherlands (e-book-platform), Flanders, Czech Republic. These models try to overcome friction strategies like those in the single user license models. The latter mimic the physical lending model by indicating to a patron that 'the e-book is currently unavailable' because it is in use by another patron.[6] From the publisher perspective the logic behind this is, of course, to be able to control the number of e-loans so as to protect the market for e-book sales. (Whether this strategy expresses itself in higher revenues in the end is still not settled once and for all.) From a user perspective the

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[6] In some models, the library or library consortium can purchase multiple licenses for the same title. This will relieve the strain on the collection somewhat, but the same message will show up in the user interface once all licenses are in use.

single user license constitutes an artificial boundary in a digital environment. In this group of models, an attempt is made to work out a new model allowing for multiple simultaneous users. For every borrowing a fee is to be paid to the rights holders. For titles with varying market value (new versus older titles), varying fees are in place. As the library in this model has only limited control over the number of loans and, hence, the amount of money that has to be paid, asking patrons to pay a fee per borrowing or a total amount for a fixed number of borrowings is almost inevitable. One alternative would be to limit the number of loans per month or similar restrictions to at least maximize the amount to be paid to the rights holders.

2. *Title-by-title licensing, streaming models*: Norway (Arts Council), Denmark, Finland, Estonia, Netherlands (holiday app), Germany, France. What sets this group of models apart from the others is that almost all offer streaming (the Dutch holiday app being the exception). To offer streaming is a strategy for rights holders to prevent the content being downloaded onto the user's device as a file that can subsequently be stripped of DRM technology and distributed to others 'free of charge'. More often than not, these models are subsidized with government money and the titles are licensed on an individual basis, involving an upfront payment to rights holders before titles can be included at all. Negotiations between library consortia and rights holders' organizations tend to be semi-cooperative. What clearly sets the German model apart from the others, though, is the huge amount of titles on offer (over 160,000).

3. *Download models*: Sweden, England, Wales, Spain, Slovenia, Canada (Quebec). These models in general tend to come to life in a semi-conflicted negotiation atmosphere. Reluctance on the part of publishers to take part in e-lending might result in download-only models, although two of the six models (the ones from Slovenia and Spain) use in-app streaming as well (as do the to Dutch models). The models in this group offer a medium-sized collection for e-lending.

4. *Abundance models*: Norway (Bokhylla) and California and Massachusetts (United States). What unites these three models is the sheer unlimited amount of titles on offer (a feature they share with the German model in the second group though). The library or library consortium tends to own the distribution platform and is able to select titles without having to negotiate with publishers. The Norwegian Bokhylla model is unique in the sense that access to its titles (books by Norwegian authors published before 2001) is universal within the Norwegian IP domain.

As the graph makes clear at first sight, the first and last groups stand out most. The two groups in the middle differ only gradually and might with reason be merged as well. The Flemish and Dutch models, with their one-copy-multiple-users and pay-per-use characteristics, together with their Czech counterpart can truly be regarded as international front runners in the sense that they try to overcome artificial scarcities. These scarcities are due to friction strategies attempting to transfer physical restrictions to the digital domain and thereby 'saving' familiar, decennia-old market divisions between buying and borrowing. It is fair to say, though, that some of these models succeed in offering a markedly larger amount of books than the Dutch-language models do. This may in part be due to the US and German models having access to much larger language areas and hence a larger number of book titles available (see figures 3 and 4 in the Civic Agenda report). Still, it might be safe to assume that going along with single user licensing (one-copy-one-user) friction strategies could be

helpful in this transitional phase to get more titles available for e-lending. To these and other considerations, the remaining part of this report is devoted.

Figure 3: Snapshot of the Flemish e-book lending portal
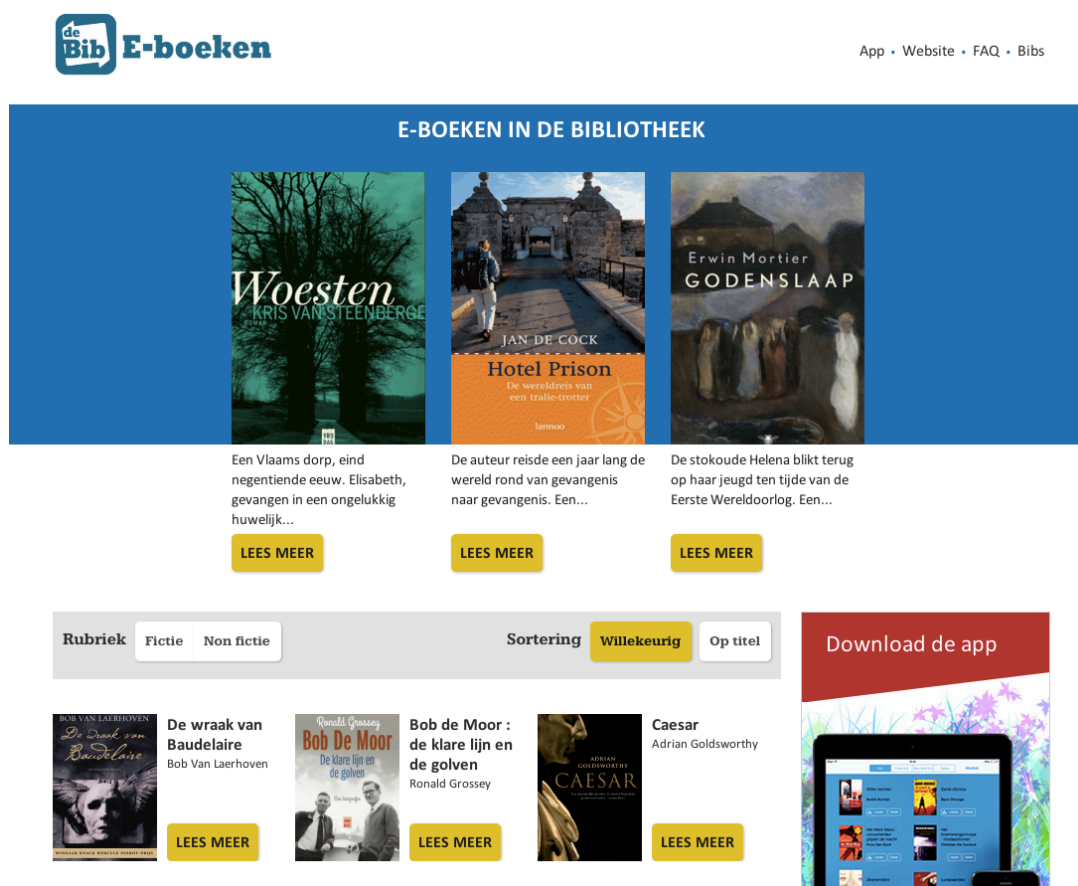
4   The Flemish and Dutch models: possible ways to move forward

E-book lending models are being developed in a complex interplay of actors and their respective interests. Together with varying economic, policy, socio-cultural and technological contexts make it not very probable, to say the least, that eventually a one-size-fits-all model will emerge all over the globe (the same is true, to be sure, for printed books as well). In what follows, some considerations are given as to how the Flemish and Dutch models could be developed further. To this aim, the invaluable insights from the Civic Agenda study and the homogeneity analysis presented above are combined with background knowledge of the situation in this particular corner of the world, and - inevitably - with normative notions of what constitutes 'providing a collection' as a service carried out in the public interest. The following paragraphs contain some general recommendations that might be kept in mind in advancing the current Flemish and Dutch models.

4.1   Continue to work on a model that is fit for the digital age

Almost from the start, the two Dutch models have drawn criticism from librarians and other professionals for providing mainly long-tail, 'ancient' titles, a 'collection' unworthy of that name. What has been overlooked in that critique is the pioneering role the Dutch and Flemish organizations

have played in trying to develop a one-copy-multiple user model, as well as the internationally unique holiday library. The inventory of 19 models has shown that with the notable exception of the Czech Republic, such a strategy does not appear to have materialized anywhere else. Providing library members/users (and non-members in the holiday app) with a user-friendly way of borrowing e-books and doing away with the artificial friction strategy of the single user license model ('this e-book is currently in use; you can make a reservation') should be the way to move forward in the digital age.

However, rights holders are understandably hesitant, afraid to lose a significant part of their current revenues in this model, and may therefore be reluctant to have their works included in the e-lending portal. The current legal regime in the European Union enables them to refuse to do so. In the first instance, it is therefore almost inevitable that the collection size is limited and the collection is out of balance in many respects. At the same time, though, putting the model into practice yields usage data informative for both parties in judging whether this model is viable. Furthermore it produces insights how parameters can be tweaked in order to arrive at better results - 'better' in terms of the librarian's cultural (public interest) perspective and/or the rights holder's economical perspectives. As a matter of fact, the experience in the Dutch situation as reported by Bibliotheek.nl is that publishers are shortening the period in which titles are for sale only, and offering them in the e-lending portal more quickly. Furthermore, it looks as though more titles are included in the e-lending portal after a shorter time span also because the number of loans has exceeded the publishers' expectations, indicating to them that through this portal, an additional revenue stream can be generated. If this is indeed the case, it would undermine the criticisms about the e-collection's shallowness.

Balancing both parties' interests is of the utmost importance in working out the one copy multiple users model. For putting the model into practice and keeping a keen eye on this balance of interest, the Dutch and Flemish models deserve due credit.

4.2   Consider a multi-track strategy with and without inbuilt frictions in the transitional phase

The former praise notwithstanding, the comparison of models has brought to light that in some single user license models, the number of available titles exceeds those in the Netherlands and (particularly) Flanders by far. This is due in part to the smaller size of the linguistic area and, therefore, the smaller market and available titles in the first place. Nevertheless, it can be argued that a model in which rights holders are more in control over what happens with their works will incite them to be more generous in allowing their titles to be included. From a cultural, public interest point of view, to be sure, it is better to have a large and heterogeneous collection available for e-lending through libraries, both from a user and a library perspective. The US models show that accepting that the transitional phase will most likely be longer than strictly needed - accepting that readers and publishers tend to stick to their long-lasting behaviour - might be a wise strategy in order to at least be able to offer a larger and broader collection of titles. Another reason a 'multi-track' strategy recommends itself is that the book market is heterogeneous in many dimensions. Not every genre 'ages' as quickly as any other, and publishers of different sizes and specialisms have different business models. Being able to accommodate for variations like these in the e-lending model is to be recommended.

Interestingly, recent legal proceedings in the Netherlands (The Hague court) have led to the judges putting forward prejudicial questions to the European Court of Justice as to how the European lending rights directive should be interpreted. There is a chance that the outcome of the legal procedure will enable libraries to include any title available under a certain form of single user license. In any case, in the current stage of development of e-book models, one is well advised to bet on more than one horse. The Massachusetts model e-book Project shows that it is possible to integrate different platforms with varying licensing schemes into one whole.

Figure 4: Snapshot of the Dutch 'holiday library' e-lending portal
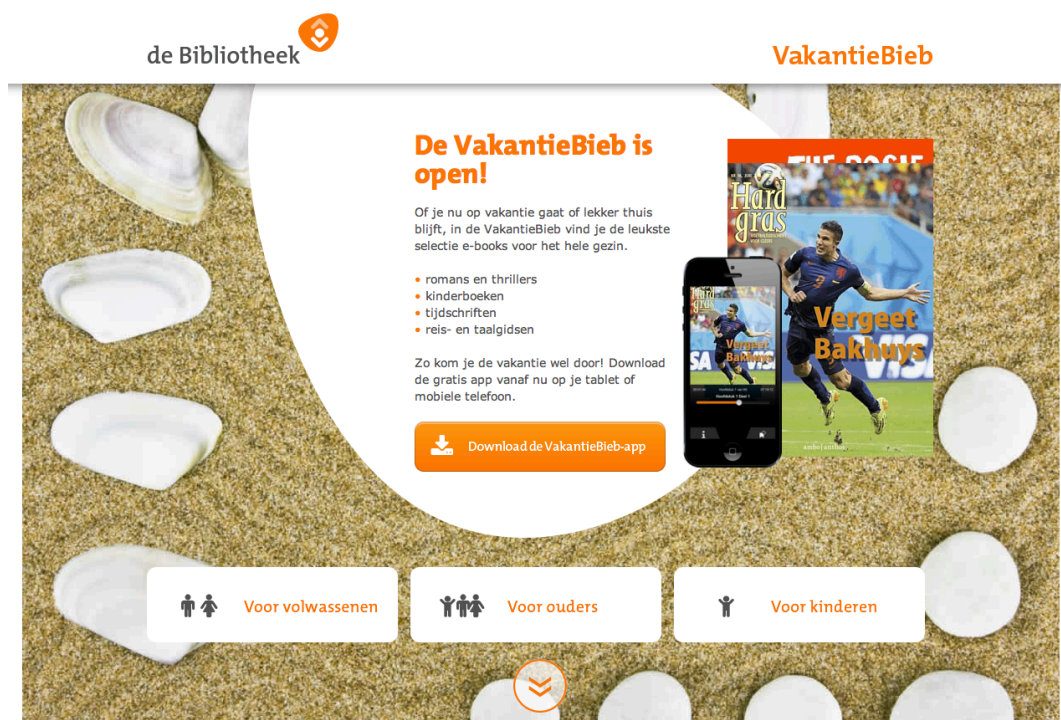
4.3   Continue to work on improving the user experience

Expanding the number of available titles also serves to counter the probably most annoying experience patrons can have, namely that the book they were looking for cannot be found in the e-book collection. As far as this is due to the current search functionalities (for a first impression see figures 2-4), both platforms should work toward improving the user experience. Usability tests in both Flanders and the Netherlands have demonstrated that there is still much to be improved. What these tests, limited in scope due to budget restrictions, could not demonstrate is the extent to which patrons from varying walks of life (age, level of education, language proficiency, degree of digital literacy, reading attitude and experience) encounter different problems while searching or browsing the collections through the current portals. Because of the large heterogeneity inherent in the general population public libraries serve, offering multiple browsing and searching interfaces should be considered, along with user-friendly variants of faceted search.

It is conventional wisdom that if you want to reach the masses, you have to adapt to their searching behaviour; which at the moment in the Netherlands and Flanders is Google. So while tweaking the e-lending platforms, both organizations Bibnet Vlaanderen and Bibliotheek.nl (as of January 2015 integrated in the Dutch national Library Koninklijke Bibliotheek) could work towards being more visible in Google searches. This might imply convincing rights holders that only a metadata search is not enough and that access to full text in searching is needed.

4.4   Try to get a larger share of the general public involved in accessing and valuing the Dutch and Flemish literary production and heritage

Right from their inception in the second half of the 19th century, public libraries have had as their mission to get larger shares of the general public involved in accessing and using their (mainly

printed) cultural heritage. Elitist as this may seem at first sight, it is the foremost reason for investing public (taxpayer's) money in the library system. In developing and 'selling' their e-lending models to potential users, the two organizations in the Netherlands and Flanders have ran marketing campaigns to raise awareness of the new library services. Staying close to the library's mission, it should be kept in mind that awareness should be raised not only for the popular content, but also (and maybe predominantly) for the breadth of the whole literary field (fiction, non-fiction, poetry, essayism, etc.) and even the whole cultural spectrum (including music, film, theatre etc.). Particularly, both the Flemish and Dutch digital libraries should consider integrating the high-quality literary heritage content of the Digital Library of the Dutch-language Letters (*DBNL*) content which has been digitized, proof-read, and annotated by knowledgeable staff. The DBNL portal itself aims primarily at scholars and students of Dutch and Flemish literature asking for high-quality content. In integrating its content in the portals for the general users, the aim would be to try to open up DBNL's riches for a larger number of users.

5 Appendix

Legend to figure 1: acronyms, full names, and exact scores on the dimension derived from the HOMALS analysis.

		Dimension 1	Dimension 2	Group
BE-FL	BE (Flanders) E-boeken in de bib	-2,36	-0,87	1
NL-Eb	NL E-book platform	-1,45	-1,58	1
CZ	CZ eReading.cz	-1,37	-0,69	1
FR	FR PNB	-0,55	0,25	2
DK	DK eReolen	-0,52	0,17	2
FI	FI E-Books for Public Libraries	-0,39	0,56	2
NO-AC	NO Arts Council E-lending pilot	-0,20	0,90	2
NL-Ho	NL Vakantiebieb	-0,15	-0,21	2
EE	EE ELLU	-0,12	0,21	2
DE	DE divibib	-0,06	-0,78	2
UK-EN	UK (England) Arts Council E-lending pilot	0,20	1,31	3
CA-QU	CA (Quebec) PretNumerique.ca	0,26	1,75	3
SI	SI Biblos Lib	0,41	0,80	3
ES	ES eBiblio	0,46	0,64	3
SE	SE Biblioteket.se	0,61	1,03	3
UK-WA	UK (Wales) e-Books for Wales	0,69	1,13	3
NO-Bo	NO Bokhylla.no	1,17	-1,34	4
US-MA	US (MA) MA eBook Project	1,85	-2,21	4
US-CA	US (Califa) Enki	2,35	-1,15	4