

The User-Driven Purchase Giveaway Library

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For as long as knowledge has been captured in and distributed as documents, libraries have collected documents in anticipation of their use. As libraries grew larger, they became more complex, more difficult to use, and more expensive. But this was the only viable strategy in a paper-based world, one in which the quality of a library was based on its ability to bring many documents close to the people who might want to use them. Now, of course, the world is different. Most information produced today is captured in digital form, though it may be distributed digitally or as a paper document. Increasingly, the documents originally produced on paper are being converted to digital formats. The Google Books project is the largest, but far from the only, such effort. What this means is that it is easy to imagine a world where all recorded knowledge of significance is stored and available in a digital form. Whereas creating multiple copies and distributing paper documents was hard and expensive, distributing digital documents is fast and easy. A digital copy of a document can be produced as needed at virtually no cost whenever and wherever someone wants to use it.

Until recently, the changed production, distribution, and economic structures made possible by the conversion from paper to digital technologies could be only partially applied to books because, while transporting and warehousing paper books is cumbersome, the paper works exceptionally well once it gets into a reader's hands. This has meant that libraries have been understandably reluctant to change their approach to book collections. However, two technologies will soon allow the full potential of digital technologies to be applied to books. The first is the development of reading machines, or e-readers. Although not everyone is enthusiastic, many people find that the current capabilities of reading machines to be an acceptable, and sometimes very satisfactory, alternative to the paper book. The second technology is print-on-demand. The ultimate expression of this technology is the Espresso Book Machine, which creates paper books quickly and cheaply one at a time.

Thus we have reached the important tipping point where digital files can be read on machines that are nearly as good as paper books and where paper books can be created and delivered nearly as quickly, cheaply, and reliably as digital files. This makes it possible for libraries to radically rethink their fundamental approach to providing documents to users.

A Thought Experiment

Let us imagine two ways a library might provide books to its users. First let us consider how a typical library today approaches this problem. Its strategy is to build a book collection. Let's say the library annually purchases 10,000 titles at an average purchase price of \$35, that the cost to acquire and catalog each of these titles is \$25, and that the cost of storing and circulating each title is \$40 over the life of the book. Thus the total cost to add such a collection each year would be \$1,000,000. Using some reasonable assumptions about book use, we could expect a collection of this sort to generate approximately 50,000 circulations over the lives of these titles.¹

Now let us consider the radical alternative. Rather than purchasing books, cataloging them, and putting them on shelves in anticipation of use, suppose the library purchased and produced a book only when a user wanted to use it. Rather than loaning the book to the user, the library would give the book to the user to keep. Let us assume that the library leases an Espresso Book Machine for \$60,000 a year and pays an operator \$40,000 a year and that, on average, books printed on the machine cost \$3 (a penny per page for 300 pages). Further, let us assume that the publisher will sell the rights for a single-user version of its texts for \$15 (this is 150% what Amazon currently charges for Kindle editions), that this version can be delivered to the single user either as a digital file or as a printed book, and that 25 percent of the users want the digital file. Finally, let us assume that the library has the same \$1,000,000 to spend each year.

How many books could the library produce and give away annually? Using the above assumptions, the average cost per books is \$17.25. Thus the answer is 52,174 books total (\$900,000/\$17.25): 39,131 paper and 13,043 digital books. It is thus possible to imagine that a "User-Driven Purchase Giveaway Library" model would generate as much use as the traditional library strategy. In addition, users would always find the books they are looking for. Since the user would permanently own the book, one might argue that it would be more valuable than a book borrowed from the library. The user could underline or highlight text or write in the margins.

Discussion

Doesn't the Library Want the Books Returned?

The short answer is "no." If the book is returned to the library, it has the potential to be used again in the future, but returning the book imposes significant cataloging and storing costs. Pursuing only the user-driven purchasing part of the strategy generates about two-thirds of the use as would either the traditional strategy or the user-driven purchase giveaway strategy. Thus, pursuing only half the strategy gets a poorer result than not pursuing it at all.

Not Cheap Enough

Although the User-Driven Purchase Giveaway Library creates an arguably better investment than the traditional library, the model as presented above would likely fail because it will be easier and quicker to use and because nearly any desired book would be available. Demand might easily be two to three times what the model proposes as possible.

One downside of the User-Driven Purchase Giveaway Library is that once the promise to provide books has been made and fees have been set, the library has an obligation to deliver. Suspending the service midyear because cost or, more likely, demand was miscalculated and thus the library's budget was exhausted would not be a particularly pleasant outcome. This type of risk is absent in traditional library practice. The User-Driven Purchase Giveaway Library requires that the library be prepared for "catastrophic success."

What Is Required

There are really only two constraints. The first is the capacity of the Espresso Book Machine. The second, and more important, constraint is the cost of the rights—or, more precisely, the amount by which the library is subsidizing this cost. Two things could be done to reduce the amount the library spends to procure these rights. First, it could negotiate a lower price. Second, it could ask users to pay a portion of these costs. The first strategy, especially if pursued collectively by libraries from multiple institutions, might be productive. The negotiation of a site license in which cost would be independent of use would be the best solution. This is a common approach for many vendors providing libraries with other electronic products.

Discovery

One persistent claim for a physical collection of books is that it aids in the serendipitous discovery of unexpected and useful books that happen to be near the book originally sought. Browsing in a physical collection clearly has some value, even though its limitations are often understated and its virtues romanticized. The limitations are clear. A book in a physical collection can be in only one place, even though it can share intellectual connections with many other books in many other places. Many of the best books are in circulation and therefore can't be found by browsing. Finally, the library may not have acquired a useful book.

Digital systems offer alternatives to browsing. Amazon has a variety of recommendation systems, and Google Book Search provides full-text search across millions of titles. WorldCat provides a more traditional library catalog approach to discovery for the aggregated collections of thousands of libraries, and LibraryThing uses social networking strategies. The end of physical browsing will be lamented by some, but at the end of the day, different and better strategies for discovery will be available.

The Library as an Information Subsidy

The User-Driven Purchase Giveaway Library is serving the same purpose that traditional libraries have always served. At the core, either type of library is the means for communities and organizations to provide a subsidy for information use. Communities and organizations provide this subsidy because they understand that left to their own devices, individuals will not pay for as much information as they should to be fully contributing members and citizens.

In a traditional library, the subsidy is used to provide for the building and organizing of a collection of books. Large book collections have been viewed as an institutional or community asset, though the long-term commitment to a book collection also creates a large liability. In the past, the possible future use justified the liability of a physical book collection. In the easily imagined future, alternative delivery mechanisms call this justification into question.

Conclusion

Ten years from now, the historic corpus of printed books will likely have been converted to digital files. Google will hold them, but so will HathiTrust and other academic or not-for-profit organizations. Print copies will be stored in long-term print repositories. Both digital and physical copies will be available, and their long-term preservation will be secured. Ten years from now, digital book readers will be common, and print-on-demand machines will be better and cheaper. Ten years from now, many publishers will have been forced to find new economic models with the decreased purchase of print books. These models are likely to include open-access models and site licenses. Finally, ten years from now, everyone will expect that all documents should be instantly available anywhere and in all the forms—digital or paper—that might be useful.

In light of these changes, it seems to me that the User-Driven Purchase Giveaway Library may be not only likely but inevitable.

Note

1. For the model used to generate these numbers, see David W. Lewis, "The User-Driven Purchase Give Away Library: A Thought Experiment," July 2010, <<http://idea.iupui.edu/dspace/handle/1805/2212>>.