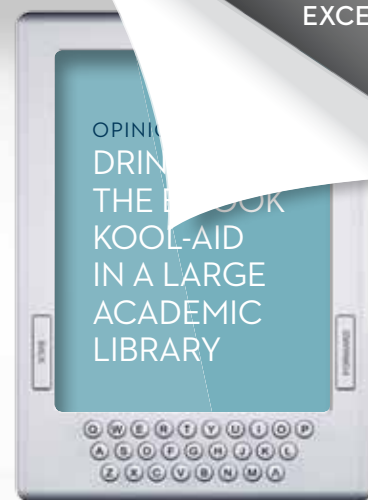
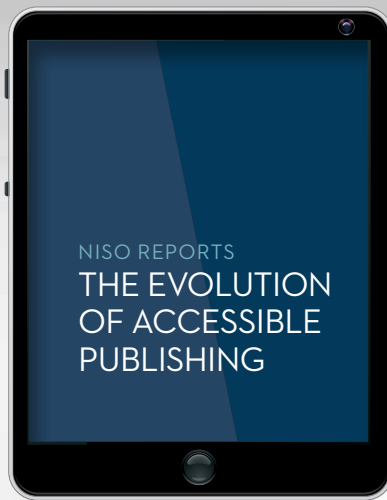
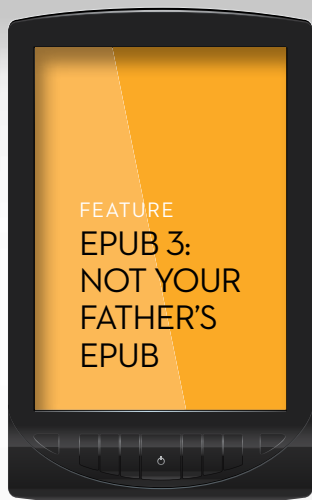


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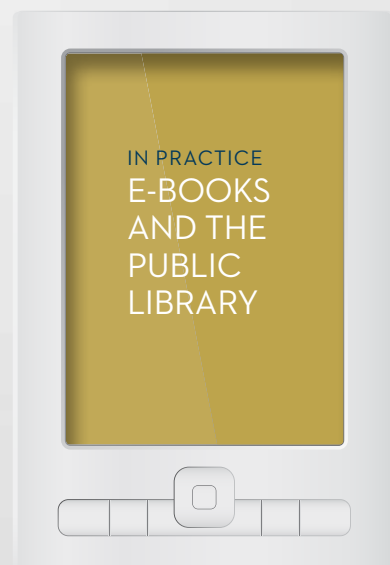
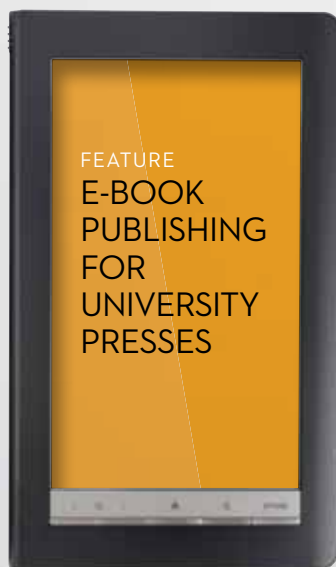


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SPECIAL EDITION: VIEWS OF THE E-BOOK RENAISSANCE



NISO
How the information world
CONNECTS

10 Questions & TENTATIVE ANSWERS

THE STATE OF E-BOOK PUBLISHING FOR UNIVERSITY PRESSES

Fifteen years since we first heard the term e-book in publishing circles we have more questions than answers. As I look at e-book publishing from the perspective of a director at a medium-sized university press situated in a large, public, research-oriented university, I see many exciting opportunities but no clear roadmap to success. Most university presses have more of a will than a way, although their paths vary by the extent of their staffs and financial resources. Let's look at ten of the prevailing questions that are on the minds of either librarians, customers, or press directors and explore the current state of progress.

1

Can't publishers solve all their financial problems by simply switching from print books to e-books?

This is the mother of all myths, and it has had remarkable staying power. After all, won't publishers save money on paper, printing, binding, and warehousing? No matter how many times publishers explain the oversimplicity of that argument, it prevails. I have had long discussions with tax lawyers, accountants, and mathematicians, explaining the complexity of the finances, but to no avail. Here is one more stab. For many publishers—including university press publishers—paper, printing, binding, and warehousing make up a small percentage of the total cost of publication. Other costs remain constant, including what may be years spent enticing an author to publish with that press, travel to conferences to meet that author, time spent suggesting reorganization of the project, time and cost connected with peer reviews of a manuscript, copy editing, design, marketing, and the accounting work of royalty statements and vendor payments. Estimates vary, but in general the costs that are constant are likely to make up 85% of the total cost of publication, with the remaining 15% going to the costs that would go away in a purely electronic world. But other costs must be added for e-books. These new costs involve

personnel who modify digital files according to the multiple standards specified by multiple vendors, prepare metadata again according to multiple standards from multiple vendors, record micropayments that may be as low as 17 cents so they can be added into royalty statements, and set up archiving systems for digital files. Some medium-sized university presses have managed to hire content services system providers, also known as digital asset management systems, that carry out these functions, but at a high cost that is often the equivalent of one or two staff members. These expenses generally rise to about the same amount of money a publisher saves by not printing, binding, and warehousing. In short, I argue that there are many reasons to publish books electronically, but saving money is not one of them.

2

Shouldn't e-books cost the customer less than print books?

As noted above, the publisher is not really saving any money. In the meantime, what happens to sales revenue? Can the publisher charge the same price for the e-book as for the print book, in order to recover costs that might look a little different but still add up to the same amount? There are two schools of thought here. First, and alarmingly to the publishing world, we

see the position of many commercial e-vendors that the e-book should be priced lower than the print book, based on the false assumption that it has cost less money to produce. An extreme example of this was Amazon's original practice of charging \$9.99 for most Kindle editions. Second, and alarmingly for the library world, we see some vendors taking the position that e-books should be priced higher than print books because they can be shared more easily (in some arrangements) and because of added functionality (searching). Publishers must find a way to recover their non-reduced costs through the sale of e-books, but at prices libraries will consider justified.

3

Since university presses operate in a university community, can't they get help in migrating to an electronic model from other organizations in the university, particularly from libraries?

Many public universities are facing severe budget crises, which has been the case for years. At our university, each unit, including the press, must pay for its own tech support, hardware, and software. The server we use to archive our digital files was expensive, as was the tech support to configure it. More seriously, our library has lost staff and funding and despite good will, is in no position to help us with data conversion, metadata, or archiving, at least certainly not on the tight schedule required for most e-book initiatives. The library administrators have started to research and account for some of the costs associated with their own entrepreneurial efforts in the world of e-publishing and archiving, and fully realize these initiatives are not free. There are indeed a few university libraries that have taken a lead role in e-publishing, but these libraries represent the exceptions, not the rule.

4

Why don't university presses sell e-books themselves? What happened to the trend toward disaggregation?

Another unresolved issue concerns how many chefs stir the pot—also known as aggregation versus disaggregation. Many university presses of all sizes began by working with NetLibrary, which at first digitized our books for no cost. In that scenario, three parties participated: the publisher, the intermediary, and the library. Variations on that model continued with a host of additional vendors, including ebrary, Questia, MyiLibrary, EBSCO, and so on. This same pattern

holds for Amazon's Kindle books and Barnes & Noble's Nook books. But there are other experiments going on that have fewer parties. Tizra is a company that has licensed software to presses to enable those presses to sell their books on their own websites. The University of Chicago Press has been renting a sampling of its books on their website for a specified period of time, with no third-party intermediary. Direct selling enables a press to keep a higher percentage of sales revenue than is the case where there are intermediaries. These laudable experiments are not without problems. Direct selling requires presses to create additional marketing efforts that drive customers to their websites. Direct selling may not be convenient for students and scholars who want one-stop shopping if they are buying books from multiple presses. Another complication is that for a press to sell or rent on its own site requires either licensing software, which is an expense, or a substantial and high-powered staff of technically adept experts. There may also be complications with protecting charge numbers, unless the press has already been selling print books online over its own website as opposed to a system where it appears the press is doing that but a larger company is actually safeguarding the commercial data. In short, very few presses are able to sell directly to the customer. So although disaggregation is one trend, it is unclear whether it will gain momentum.

5

Won't e-books displace print books?

This myth is particularly puzzling to me because there is no single model of technological change in our daily lives. Perhaps iTunes has displaced records and digital pictures have replaced film, but television did not eradicate radio and DVDs did not eradicate movie going. For the foreseeable future, e-books will exist alongside print books. What this means for publishers is that we must have one foot in each world. For example, we must still spend about \$2000 designing and printing dust jackets, we must still produce print fliers as well as e-blasts, and we must still have physical books to exhibit at the annual meetings of professional societies. As new activities are added to our workload, no existing activities can disappear.

The Association of American University Presses (AAUP) has just circulated an insightful task force report entitled *Sustaining Scholarly Publishing: Business Models for University Presses*. It points out convincingly that university presses must have multiple business models operating at once, putting a burden on resources, and that it will be a long time before a single, standardized model emerges, if ever.

CONTINUED »

6

Why don't publishers prepare their digital files in XML?

Most university presses, with the exception of the largest and those with the most resources, have their digital files in PDF form because they cannot afford to migrate to XML. The cost of conversion has been coming down and may now be as low as \$100 per book. But again, this is a simplification of the problem. At Rutgers, we have about 700 titles in PDF. So we would be facing a \$70,000 expense, at a time when there is no extra money for initiatives. Even so, perhaps we could manage to do this if we could make a convincing case to ourselves and our university that we would recover that cost. There are certainly visionary people who can explain the added utility that comes with XML. But no one can assure us how that will convert into dollars, especially in the current economy. Moreover, if we listen to enough people, we hear that even XML may not be the ultimate solution. By waiting, we may find something even better. Finally, when we talk to most of the students and scholars who are likely to use our e-books, they feel that PDF, though not ideal, will give them most of the functionality they need.

7

Should we put our resources into selling individual titles, or should we bundle e-books into collections?

There is no easy answer to this question. From the point of view of advancing research, it is tempting to focus on selling collections of books, to facilitate thorough searches. Moreover, libraries seem comfortable with the notion of e-books as something akin to databases of knowledge. But librarians also like the ability to pick and choose rather than being told that if they want book A they must also buy book B, and they are experimenting with patron-driven acquisitions, which assumes sales of one title at a time. Individuals almost always prefer to buy single titles, that is if they have devices they can use as e-book readers. Yes, we can focus on both individual books and collections, but this involves dealing with endless vendors, who again have differing systems, requiring extra labor on the part of publishers.

8

Who are the players in the e-book market now?

There has been an enormous amount of activity in the past year or two as e-book vendors proliferate. In addition to the

vendors that university presses have worked with in the past—Questia, NetLibrary, ebrary, MyiLibrary, EBSCO, and so on—there are many newcomers, including Cambridge University Press and Oxford University Press, which are both distributing e-books for other publishers; JSTOR which plans to distribute e-books; and Project MUSE, which is about to launch an e-book venture called UPCC, or University Press Content Consortium. (This is the program Rutgers University Press has joined.) These initiatives are examples of the trend back to aggregation, as publishers realize the enormous resources required to sell effectively to libraries, domestic and international, and the advantages of collections for scholars doing research. Even many of the largest university presses are likely to participate in one or more of these collectivities. In addition, several of these initiatives have been developed with the benefit of surveys of librarians, and have attempted to be responsive to the needs of all parties in the scholarly communication ecosystem. Another factor that motivates at least some of these initiatives is the push toward partnerships that is rampant in many universities. The assumption is that we can all achieve economies of scale in a difficult economy by joining together.

9

As vendors proliferate, are libraries facing the prospect of buying the same content twice?

I and my fellow directors have, over the years, probably signed twenty to thirty contracts with e-vendors. We have been trained to hunt for the word exclusivity and if it is there, cross it out. As the field of e-books was developing, none of us knew which company would prove to be the best to work with, so we wanted to spread our valuable assets over multiple vendors, to see how business shook out. This may make sense when everyone is talking about individual titles, but for libraries, it may not make sense when the spotlight moves to collections. If one vendor offers a library a collection on U.S. history with 100 books, and another vendor offers libraries a similar collection, with 50% overlap, what is the result? Will the library buy one or both? Will the library need to put resources into assessing the level of overlap? Or do libraries welcome duplication so that they are not faced with what could be perceived as a monopoly? I have been part of the UPCC effort to bring university presses together to sell their e-books in subject collections to libraries. Although we recognized the advantages to libraries of insisting that if a publisher adds their books to one of our collections, they should not add them to another vendor's collections, we ultimately decided that publishers were not at a point where they were comfortable promising exclusivity.

10

Can't the problem of clearing rights for e-books be easily solved?

Publishers must ensure that they have permission to reprint whatever is in the content of their books. This commonly includes long quotes, lyrics, poetry, and images. For older books, rights may have been cleared for print editions, but not for electronic editions. I am not convinced that everyone in the world of scholarly communication comprehends the magnitude of this problem. For a press like ours, with about 3,000 titles in print, that requires looking at 3,000 paper files. Let's take a fictional book published in 1955 that incorporates illustrations and third-party text quoted from a journal or an earlier book. Did the press staff in 1955 keep meticulous records on what permissions were cleared, and whether they were cleared for all editions, in all formats, which is highly unlikely? If they were cleared for a print edition only, are the 1955 addresses of the rights holders still correct today so that we can ask for an extension of the grant of permissions to e-books? And if those addresses are valid, will those rights holders be willing to grant rights for an e-book without a fee? Then multiply these complexities by a factor of 3,000. The problem may not be this severe for those presses that give up on digitizing the longest of the long tail, or those presses that have kept accurate records for the last decade. But even under the best of circumstances, the workload is staggering. Few presses can accomplish rights clearance for e-books without a significant addition of staff. Some presses, especially those that are large and have substantial sales revenue, have hired consultants and freelancers to tackle the problem in a frenzy of activity. Other presses have done this gradually, with existing staff. Still others have not fully entered the world of e-books, largely because of this problem. At Rutgers, we have focused our attention on the more recent books, with the greatest sales potential.

The full burden of rights clearance need not fall on publishers alone. Many of us are putting that burden back on authors, asking them to clear rights for e-books at the same time they clear rights for print books. This practice appears to be sensible, but it results in a series of problems. First, many of the rights holders who respond to such requests come back to the author with a list of questions that don't seem to fit the current environment and are unanswerable. "How many copies will you be producing," they ask. Of course, we don't produce and we can't predict what is disseminated. "Will the e-book be combined with other material," they ask. Again, we cannot predict. After the questions come more irritations, when the fees charged for e-rights are often prohibitive, as though e-books are to be supplemental income rather than the substitute income that is more likely. University press authors who typically pay for permissions themselves are not pleased at either the questions or the fees.

In addition to workload and budget problems, rights issues limit the number of books a publisher can convert to e-books. Many university presses have published landmark anthologies that are widely used in classes. It would be prohibitive to even try to clear rights for such books, so we exclude them from consideration for e-books. Many of us publish imports from the U.K. and elsewhere, for which we do not have world rights. These must be excluded from certain ventures. Many of us publish art books, where again the fees would be prohibitive. For some publishers, these categories of books represent a small fraction of their lists, but for others, the percentage is significant.

The ten questions and tentative answers I have covered here point to the unsettled state of e-book publishing. We continue to deal with myths, unresolved issues, and unsettled standards. Using a life course perspective, I would say that e-books have grown out of infancy but are now in toddlerhood, struggling to talk and to stand. I look forward to the next stage. | FE | doi: 10.3789/isq23n2.2011.03



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