

CHIEF OFFICERS OF STATE LIBRARY AGENCIES

201 East Main Street, Suite 1405 | Lexington, KY 40507 Phone: 859-514-9826 | <u>info@cosla.org</u> | www.cosla.org

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Contact: Timothy Cherubini, Executive Director

tcherubini@cosla.org

859 514 9826

Chief Officers of State Library Agencies seek dialogue with Macmillan Publishers on eBook Sales

Discussion reveals areas of common concern and diverging perspectives.

Hartford, Connecticut – At the invitation of Chief Officers of State Library Agencies (COSLA), Macmillan Publishers CEO John Sargent joined several State Librarians for dialogue around the company's new pricing and availability policy for library eBook purchasing. COSLA, whose members include all 50 states, the District of Columbia and 3 territories, expressed concerns about the recent policy change which the organization's members view as detrimental to the needs of the library-using public nationwide. A major purpose behind the meeting was to understand Macmillan's decision better, including achieving an understanding of how Macmillan arrived at their model.

Mr. Sargent shared with COSLA Macmillan's concern that eBook sales are rising in public libraries but declining with consumers. He likened the eBook marketplace to that for major motion pictures in that new releases have the greatest value in their first few weeks and their initial release should allow for the greatest return on both creative and business investment. The availability of eBooks through libraries, which may be perceived as being "free," is in Macmillan's opinion the major driver in the consumer decline.

"We disagree with the premise that eBook availability through libraries negatively impacts sales of new release best seller sales to any significant extent," said Cindy Aden, chair of COSLA's eBook engagement group and Washington State Librarian. "Libraries pay higher prices for eBooks and we question the logic that a publisher would achieve significant revenue from restricting sales to libraries. In our experience, few readers faced with wait times for a new release would choose to purchase the book directly instead of waiting, even if those wait times are significant." Mr. Sargent on the other hand told COSLA that based on anecdotal data, they believe that if library users cannot gain access to a new eBook from their library, 8 percent of those waiting will likely buy the eBook

"Typical eBook loan periods are 2-3 weeks," noted COSLA President and Hawaii State Librarian Stacey Aldrich. "It is unlikely that a single eBook purchased by a library at 3 or 4 times the cost of a consumer book would circulate more than 2.5 times in the first 8 weeks, so the drain on potential buyers is insignificant during the eBooks' most valuable selling period."

Contrary to the assumption stated by Mr. Sargent that availability through libraries negatively impacts book sales, COSLA believes that library availability builds readership, increases awareness of authors, publishers, booksellers and the entire ecosystem, thereby positively impacting sales. Libraries serve

segments of communities that for various reasons are not able to purchase eBooks. Publishers and librarians have engaged frequently over many years on issues of pricing, availability and access of eBooks in libraries. The terms now in place for Macmillan imprints add to an already difficult set of issues.

Mr. Sargent repeated another oft-stated claim that eBook availability through libraries devalues works. COSLA board members had various responses to this concern. COSLA Vice President and Montana State Librarian Jennie Stapp made the point that library users do value their books, even if accessed via their library, as evidenced by the valuable time they devote to reading them.

COSLA members also emphasized the case that libraries provide "early adopter" readers who can talk about a new book to others and encourage higher readership. Keeping new books out of a library may negatively impact Macmillan authors whose books won't be shared, and whose readers will find other authors while waiting, possibly not returning to those Macmillan authors immediately or at all.

Mr. Sargent appeared eager to describe the problem from his perspective and open to considering alternative models presented by others, acknowledging that the current embargo model may not be the "right" model. He expressed confidence in that model however, and determination to find out if it will drive eBook sales to consumers.

COSLA and Mr. Sargent have agreed to explore eBook pricing models and to continue to try to find ways to understand the perceived problem and to emphasize the importance of libraries to the overall book ecosystem. All agreed that better data will help the conversation. Meanwhile libraries across the country are responding by opting not to purchase new Macmillan eBook titles, all eBook titles or even all Macmillan books, hoping to demonstrate to Macmillan that libraries are a significant part of his bottom line and should be seen as a partner in promoting books, authors and reading.

About the Chief Officers of State Library Agencies (COSLA): COSLA is an independent organization of the chief officers of state and territorial agencies designated as the state library administrative agency and responsible for statewide library development. Its purpose is to provide leadership on issues of common concern and national interest; to further state library agency relationships with federal government and national organizations; and to initiate cooperative action for the improvement of library services to the people of the United States.

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