Table of Contents

Executive Summary ................................................. 8
Ebook Collections .................................................. 9
  Ebook Readers and Formats .................................... 10
  Ereader Circulation ............................................. 11
  Usage License and Circulation Interval ...................... 11
  Ebook Categories ................................................ 11
Challenges to Ebook Access ....................................... 12
  Ebook Marketing .................................................. 12
  Technical Problems ............................................. 12
Ebook Budgets and Purchasing Terms ............................. 13
  Format Cannibalization ........................................ 13
Libraries and Their Vendors ....................................... 14
Conclusions .......................................................... 16
Introduction .......................................................... 17
  How This Report Is Organized ................................ 18
  Structure of Each Section ..................................... 18
  A Definitional and Orthographic Note ....................... 19
  The Survey Methodology ...................................... 19
  About Library Journal ........................................ 20
  For More Information ......................................... 20

1. Profile of Respondents .......................................... 21
  Type of Library .................................................. 22
    Public or Private .............................................. 23
  Number of Students ............................................. 24
  Materials Expenditure ........................................... 25
  Library Location ................................................ 26
  Respondent Job Title/Ebook Recommendation Authority ... 28
  Ebook Purchase/Recommendation Authority .................. 29
  Onward .............................................................. 29

2. Ebook Collections ................................................. 30
  Offer Ebooks ..................................................... 31
  Number of Ebooks Carried ...................................... 33
  Ebook Formats and Devices .................................... 34
  Ebook Categories ................................................ 38
  Marketing Ebooks ............................................... 40
  General Conclusions ........................................... 41
  In Their Own Words .............................................. 41

3. Ebook Acquisition, Licensing, and Circulation .................. 47
  Acquisition ....................................................... 48
    Learn About Ebooks .......................................... 49
  Ebook Purchasing Terms ....................................... 50
  Consortium Program ............................................. 52
  Ebook Usage License ........................................... 54
  Ebook Circulation ............................................... 55
    Hardware Circulation ....................................... 56

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Table of Tables

Table 1. Q4: Which of the following best describes your library? —School libraries by 2009–2010 materials expenditure ..................................................22
Table 2: Q5: Is your institution public or private? —School libraries by type of school and materials expenditure ..................................................23
Table 3. Q6: Approximately how many students attend the school you work in? —School libraries by type of school and materials expenditure ..........24
Table 4. Q7: What was your library media center’s total materials expenditure this past year (’09–’10 school year)? —School libraries by type of school ...25
Table 5. Q2: In which region of the country is your library located? — School libraries by type of school and materials expenditure ..................................27
Table 6. Q3: Which of the following comes closest to your job title? —School libraries by type of school and materials expenditure ..................................28
Table 7. Q22: Do you have a role in making purchasing recommendations/decisions for ebooks in your school? —School libraries by type of school and materials expenditure ..........................................................29
Table 8: Does your library currently carry ebooks? —School libraries by type of school and materials expenditure ..........................................................31
Table 9. Q33: Do you expect your library will offer ebooks...? —School libraries by type of school and materials expenditure ........................................32
Table 10. Q8: How many ebooks does your library currently offer users? —School libraries by type of institution and acquisition budget ........................................33
Table 11. Q14: In which format do users generally prefer ebooks? —School libraries by type of school and materials expenditure (multiple responses permitted) ............................................................35
Table 12. Q15: What device(s) do your library users most often use to read ebooks? —School libraries by type of school and materials expenditure (multiple responses permitted) ............................................................37
Table 13. Q9: Which categories of ebooks does your library currently offer users? —School libraries by type of school and materials expenditure (multiple responses permitted) ............................................................39
Table 14. Q10: How does your library market the availability of ebooks in your library? —School libraries by type of school and materials expenditure (multiple responses permitted) ............................................................40
Table 15. Q28: What factors influence your decision to purchase an ebook for your media center? —School libraries by type of school and materials expenditure (multiple responses permitted) ............................................................49
Table 16. Q29: How do you generally find and learn about ebooks? —School libraries by type of school and materials expenditure (multiple responses permitted) ............................................................51
Table 17. Q27: What type of purchasing terms does your library typically use when acquiring ebooks? —School libraries by type of school and materials expenditure (multiple responses permitted) ............................................................53
Table 18. Q28: Is your library part of a consortium license program for its ebook collection? —School libraries by type of school and materials expenditure.54
Table 19. Q11: What ebook usage license model is currently employed at your library? —School libraries by type of school and materials expenditure

Table 20. Q12: What is the circulation interval for ebooks at your library? —School libraries by type of school and materials expenditure

Table 21. Q16: Does your library circulate preloaded e-reading devices? —School libraries by type of school and materials expenditure

Table 22. Q13: Compared to this school year, do you expect next year’s circulation of ebook titles to increase, stay the same or decrease? —School libraries by type of school and materials expenditure

Table 23. Q18: What hinders the public from reading your media center’s ebook content? —School libraries by type of school and materials expenditure (multiple responses permitted)

Table 24. Q20: How often do your users report technical problems when downloading an ebook? —School libraries by type of school and materials expenditure

Table 25. Q19: Do you feel the popularity of ebooks is having an impact on the use of other formats? —School libraries by type of school and materials expenditure

Table 26. Q23: What budget line(s) does the purchase of ebooks come from? —School libraries by type of school and materials expenditure

Table 27. Q27: What percentage of your library’s acquisitions budget do ebooks currently represent? —School libraries by type of school and materials expenditure

Table 28. Q24: What percentage of your library’s materials budget do you predict ebooks will represent in 5 years? —School libraries by type of school and materials expenditure

Table 29. Q30: From which vendor(s) does your library purchase ebooks? —School libraries by type of school and materials expenditure (multiple responses permitted)

Table 30. Q31: Which is your preferred ebook vendor? —School libraries by type of school and materials expenditure (only one response permitted)

Table 31. Q29: Please rate the importance of the following attributes when considering an ebook vendor (Very Important/Important) —School libraries by type of school and materials expenditure
EXECUTIVE SUMMARY

Electronic books have been around in some form for decades, but it has only been in the last several years that a significant market for them has begun to emerge, driven largely by the introduction of next-generation ebook readers like the Amazon Kindle, the Sony Reader, and the Barnes & Noble Nook, which have made ereading a convenient, comfortable, and relatively inexpensive activity.

According to Association of American Publishers data, in 2008 ebook sales accounted for approximately 0.5% of all U.S. book sales; a year later, they accounted for 1.3%.\(^1\) At present, ebooks represent a tiny fraction of all book sales, but they are growing. In fact, between 2002 and 2009, ebook sales had a compound annual growth rate (CAGR) of 71%, the highest of any book category. (In comparison, adult hardcover books had a CAGR in this same period of 1.3% and adult paperbacks of 2.6%.)

Just as interest in and a preference for ebooks grows in the culture at large, ebooks are gaining a foothold in school libraries. School librarians consider all materials, formats and how they fit into their collection, patron/teacher/curricular needs, as well as their budget when making purchasing decisions — and ebooks serve a variety of needs for library patrons. Ebooks also solve some problems for libraries. They don’t wear out or get damaged,\(^2\) they don’t need to be replaced, and they aren’t easily lost. They also don’t require physical storage, and many libraries are strapped for space.

One of the disadvantages of ebooks, and in fact one of the factors that has impeded ebook adoption in the book-buying population as a whole, is the plethora of mutually incompatible formats and often draconian digital rights management (DRM) schemes.

School libraries have unique concerns that distinguish them from other book buyers and ebook users. Chief among them is that budgets are tight. At the same time, libraries must serve the needs of a diverse population and making ebook holdings accessible to all users who want them can be a challenge.

As our survey found, middle schools appear to be most receptive to ebooks. Middle school students are most likely to have dedicated ebook readers, and they are most likely to make ebook requests. Middle school libraries also report that they expect a higher increase in ebook circulation.

This following data is based on 697 American school libraries; 71% elementary, 14% middle/junior high schools and 15% high schools.

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\(^2\) Yes, files can get corrupted, but not as easily as, say, exposing a library book to rain, household pets, and other sources of damage.
**Ebook Collections**

At present, only one-third of school libraries (33%) say they currently offer ebooks to users. The likelihood of carrying ebooks increases by grade level. Indeed, two-thirds of high school libraries say they do carry ebooks, while only one-fourth of elementary schools say they do. This might be a function of budgets as high school libraries generally have higher materials budgets.

Of those school libraries that do carry ebooks, on average they own or subscribe to about 50 ebooks (mean 49.4; median 32.0). The size of ebook collections in school libraries rises proportionately with grade level, from elementary to high school.

“Generation Z are digital learners and I hope to be able to better meet their needs as well as offer an exciting alternative to paper books.”

As for that 67% that currently don’t offer ebooks, 25% plan to offer ebooks in the next 12 months, while a further 42% plan to offer ebooks in the next couple of years. One-third (34%) of school libraries say they currently have no plans to offer e-books. Elementary schools are the least likely to currently be planning to offer ebooks.

<table>
<thead>
<tr>
<th>We plan to offer ebooks...</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>In the next 12 months</td>
<td>25%</td>
</tr>
<tr>
<td>1 to 2 years from now</td>
<td>28%</td>
</tr>
<tr>
<td>Longer than 2 years from now</td>
<td>14%</td>
</tr>
<tr>
<td>No plans to offer ebooks</td>
<td>34%</td>
</tr>
</tbody>
</table>

The 34% that say they have no plans to offer ebooks may end up changing their minds as user demand grows. Still, a segment of the overall library market has not been seeing demand for ebooks. A preference for ebooks is not universal (remember that ebooks only account for 1.3% of all book sales). It’s even conceivable—given many of the verbatim comments that we received from survey respondents—that libraries and users may become less enthusiastic about the idea of ebooks, especially given the challenges that many have with regard to incompatible formats, user-unfriendliness, high cost, and lack of technical and customer support.

When we asked about the primary drivers of ebook purchases, more than half (55%) of school libraries cited “projected usage” based on current usage statistics, with “faculty request” not far behind (51%).

Looking ahead, the majority of survey respondents (65%) expects ebook circulation to increase next year compared to this year, although 34% expects it to remain the same. Only 1% expects a decrease in ebook circulation. Overall, circulation of ebooks is expected to increase approximately 26% next year.
Ebook Readers and Formats

The library computer tends to be the hardware device on which most library users read ebooks, followed by a personal computer or laptop. Nine percent of respondents “don’t know” on what hardware their users are reading ebooks. Smartphones, which this survey doesn’t directly address, will increasingly be used in schools, now that the most recent Erate application is encouraging their use.

<table>
<thead>
<tr>
<th>Device(s) on which library users most often read ebooks...</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Library computer</td>
<td>72%</td>
</tr>
<tr>
<td>Personal laptop/Computer/Netbook</td>
<td>52%</td>
</tr>
<tr>
<td>Other portable device</td>
<td>13%</td>
</tr>
<tr>
<td>Dedicated ebook reader</td>
<td>9%</td>
</tr>
<tr>
<td>Don't know</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
</tbody>
</table>

In terms of ebook formats, the top format was HTML (36%), suggesting that these libraries are offering Web-based ebooks. The near-ubiquitous PDF format garnered 23%; at one time, it was hoped that PDF would be the de facto standard format for ebooks—and maybe to some extent it is. Meanwhile, 39% of respondents say that they “don’t know, ebooks haven’t caught on.”

<table>
<thead>
<tr>
<th>Preferred ebook format(s)...</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Don't know yet, ebooks haven't caught on</td>
<td>39%</td>
</tr>
<tr>
<td>Full text HTML</td>
<td>36%</td>
</tr>
<tr>
<td>PDF</td>
<td>23%</td>
</tr>
<tr>
<td>Optimized for dedicated ebook device</td>
<td>14%</td>
</tr>
<tr>
<td>ePub</td>
<td>7%</td>
</tr>
<tr>
<td>Optimized for other mobile device</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>11%</td>
</tr>
</tbody>
</table>

A single standard format for ebooks is highly desired by users, libraries, and even publishers. Each manufacturer offers its own proprietary format that is optimized for its particular reader, and which integrates its unique DRM scheme. Until the market shakes out further and a clear “winner” emerges, publishers and libraries will be required to offer titles in all formats, or they risk alienating users who can’t find the titles they want on the device they prefer. Similarly, the VHS vs. Beta dilemma of the 1980s forced video rental shops to stock both formats, until Beta finally lost out (which in turn gave way to DVDs).

“Currently we are only utilizing e-books that are available via a web browser not ones that require specific e-book readers.”
Ereader Circulation

We also asked if libraries circulate actual ereading devices. Overwhelmingly, they do not; 58% of all school libraries do not circulate preloaded e-readers, while a scant 6% do. But then 36% are considering it. Naturally, cost is a big barrier; there isn’t just the one-time-only purchase cost of a device. there are upgrades, as well as the need to support and replace broken, lost or stolen ebook readers. Librarians are also likely awaiting device standardization before entering this arena.

Libraries that do circulate ereaders are most likely to offer the Amazon Kindle.

Usage License and Circulation Interval

The vendor typically determines the usage license and different vendors have different models, which is why 40% of school libraries say their license allows only “single ebook use at a time,” 35% say “unlimited access/simultaneous use” and 23% say “both.”

<table>
<thead>
<tr>
<th>Ebook usage license model...</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Single e-book use at a time</td>
<td>40%</td>
</tr>
<tr>
<td>Unlimited access/ simultaneous use</td>
<td>35%</td>
</tr>
<tr>
<td>Both</td>
<td>23%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
</tbody>
</table>

One to two weeks is, on average, the circulation interval for ebooks. Fourteen percent of respondents allow the user to specify the circulation interval, likely because the library (or, actually, the vendor) limits the number of ebooks that can be accessed simultaneously.

Ebook Categories

Within ebook collections currently offered by school libraries, children’s fiction makes up 51%, and children’s nonfiction 39%. Forty-two percent of school libraries selected reference (non-circulating). Thirteen percent of school libraries do not currently circulate their ebooks, and only offer noncirculating reference titles. Naturally, elementary schools are more likely to circulate fiction and nonfiction, while high schools emphasize reference titles. Middle schools fall in-between and offer more of a mixture.

<table>
<thead>
<tr>
<th>Ebook categories offered by library media centers...</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Children’s fiction</td>
<td>51%</td>
</tr>
<tr>
<td>Reference (non-circulating)</td>
<td>42%</td>
</tr>
<tr>
<td>Children’s nonfiction</td>
<td>39%</td>
</tr>
<tr>
<td>Children’s picture books</td>
<td>34%</td>
</tr>
<tr>
<td>Young adult nonfiction</td>
<td>24%</td>
</tr>
<tr>
<td>Young adult fiction</td>
<td>23%</td>
</tr>
<tr>
<td>General adult nonfiction</td>
<td>10%</td>
</tr>
<tr>
<td>General adult fiction</td>
<td>8%</td>
</tr>
<tr>
<td>Bestsellers</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
<tr>
<td>Noncirculating reference ebooks ONLY</td>
<td>13%</td>
</tr>
</tbody>
</table>
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