



A Guide to **EBOOK  
LICENSES PURCHASE  
MODELS** for Libraries and  
Publishers

**Bookwire** 



**PUBLISHING  
PERSPECTIVES**

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# A Guide to Ebook Licenses Purchase Models for Libraries and Publishers

## 1

### OBJECTIVE OF THE GUIDE

The main purpose of this Ebook Licenses Purchase Models Guide, resulting from the collaboration between Bookwire, a platform specialising in the distribution of eBooks and audio books, and Dosdoce.com, a company specialising in the development of digital business models, is to provide all professionals in the book world (publishers, librarians, agents, authors, etc.) with a broader insight into the numerous opportunities offered by the vast range of ebook licensing models and to dissipate any doubts or preconceived ideas in relation to those models. We particularly hope that it will serve as a way of reflecting on how to begin to integrate these kinds of models in their digital distribution strategies.

The 21st century will witness Public and School Libraries becoming one of the main sites on the Internet for readers to discover new reading material (ebooks, audio books, apps, etc.), in conjunction with other readers of similar tastes. Such prospects will provide publishers with a wide range of possibilities to use new business models whereby libraries will be able to offer digital lending services in keeping up with the new trends in content consumption (book club streaming services, pay-as-you-read, etc.)

## 2

### SHIFTING FROM A PROPERTY PURCHASE MODEL TO A LICENSE BASED MODEL

The model used by the analogue library, which exclusively loaned out printed books, was (and continues to be) the acquisition or purchase of a book to be borrowed by one sole user, subsequently to be loaned to the next user after having been returned.

reiterated use of a single title by multiple users eventually causes the book to wear out and become unusable.

The acquisition model within the digital framework is different and is conceived via licensing models. By definition, the license signifies payment for the use of something that is not owned but is used temporarily. This is one of the first psychological barriers that need to be overcome by librarians, publishers, authors and readers. In fact, the printed book, although owned, also “expires”, so to speak, since the

Any library offering users digital lending will have to choose the licensing model most suitable to its current needs, future user’s demands, budget and titles on loan. To do so, they will need to become familiarised with the variety of licenses available as well as the most suitable one for each case and may need to resort to individual assessment by experts in the field since an inadequate model may give rise to an inefficient use of public resources.



## 3

### WHAT ASPECTS CONTRIBUTE TO A DIGITAL LICENSE?

Generally speaking, there are three key aspects which define a digital license: the concurrence of users, the number of times a given eBook may be loaned out and the duration of the license.

#### 3.1

#### READER CONCURRENCE



The concurrence of users refers to the number of readers who may read the same document simultaneously, something that does not happen with printed books but is possible within the digital framework. The library will therefore have to decide whether each eBook will come under a non-concurrent single user license, allowing access to one user only, i.e. as occurs with printed books, or whether it will allow multiple users access to the same eBook simultaneously (ideal license for reading clubs).

#### 3.2

#### THE NUMBER OF TIMES A GIVEN EBOOK MAY BE ON LOAN



Circulation, preferably known as the number of times the same eBook may be loaned out during the duration of a license, is another key aspect to be taken into consideration by librarians and publishers. On a worldwide basis, most licenses envisage a circulation ranging from 20 to 26 loans.

#### 3.3

#### DURATION OF A LICENSE



Lastly, the length of time during which the library may use the license is usually defined by a specific term, which usually lasts various months or up to a couple of years. However, public libraries are increasingly choosing the “unlimited time license model”, as well as the “perpetual licenses”, as part of their license purchase mix to guarantee the economic sustainability of the purchase since the number of loans contemplated in the license does not expire (see attached infographic for more details)



## 4

### MOST COMMON LICENSING MODELS

The multiple combinations of the three key aspects referred to above have produced a broad range of licensing models for libraries and publishers.

The most widely used licensing models in the principal public libraries throughout the world may be described as follows:

#### 4.1

#### NON-CONCURRENT USER LICENSE



This type of license is the most similar to the traditional loan. As in the case of printed books, this license contemplates the loan of an eBook to a single user, there being no simultaneous use. Many libraries have opted for this kind of license as it enables them to diversify their budget by purchasing a wide range of titles since their use is subsequently limited via concurrence. However, libraries should also bear in mind that these kinds of licenses create long waiting lists for best sellers or new releases and have a negative influence on the perception of the service and on book rotation.

#### 4.2

#### CONCURRENT USER LICENSE



Contrary to the previous case, these licenses envisage the loan of a given eBook to multiple users simultaneously. They are usually used by libraries for reading club activities or the like and school libraries to facilitate the creation of campaigns to encourage reading.

#### 4.3

#### LIMITED NUMBER OF LOAN LICENSES



These licenses usually limit the number of loans from 20 to 26. Once the limit has been reached, the eBook is no longer available on the library lending platform, it being necessary to acquire a new license. A higher or lower number of loans may affect the price of the license



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## 4.4

### LIMITED TERM OF THE LICENSES



Licenses of this nature establish the length of time a certain eBook may be available on the platform. Licenses for a limited term usually have a durability of up to 2 years. Once the term has expired, the eBook “disappears” from the platform even though the total number of loans may not have been used up. These licenses are very common in the purchase of contents which become obsolete within a short time: travel guides, consultation books, textbooks, self-help books, etc.

## 4.5

### UNLIMITED TERM LICENSES



EBooks acquired under this licensing model are made available on the platform until the last loan purchase has been reached. In licenses of this nature, the term is determined by the number of loans reached (usually 20 or 26 loans). There is an increasing understanding in the book world in relation to the benefits derived from unlimited term licenses for both libraries and publishers. Just as limited term licenses force librarians to purchase eBooks in advance without really being aware of their real demand, unlimited term licenses guarantee the economic sustainability of the purchase since the number of loans contemplated in the license does not expire. In this context, publishers are experiencing the derived benefits of the unlimited term licenses versus the traditional limited ones.

Over the past years, publishers have seen that “Limited term licenses” (as described in section 4.4) reduce the potential for the renewal of new licenses since librarians will not purchase further licenses until all the Limited Term licenses have experienced. In contrary, the unlimited term licenses fosters the purchase of new licenses since the previous purchases do not expire.

## 4.6

### PERPETUAL LICENSE



Many people confuse perpetual licenses with unlimited term licenses despite the fact that they neither offer nor cost the same. Perpetual licenses imply payment for the acquisition of an eBook for its entire life, without limiting its loans. The eBook goes on to become part of the library’s permanent reserve collection and is always available for loan purposes, there being no need to pay new charges to the publisher or the copyright holder.



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## 4.7

### SUBSCRIPTION LICENSE



These licenses combine the three essential factors referred to earlier. On the one hand, they are concurrent user licenses allowing an unlimited number of users access to the same book. However, these licenses expire since the subscription usually lasts for three months or a maximum of one year. Finally, loans within these licenses are unlimited since users may read as many eBooks as they like during the subscription period.

## 4.8

### PAY-PER-LOAN LICENSE



Also known as the “pay-per-use” model or “on-demand” license. The library pays the publisher when the user borrows the book. Titles are visible for lending without pre-payment by the library. The cost is incurred only when the book is borrowed. Although it is a highly favourable option, in theory, since it allows the library to offer an vast catalogue, libraries should handle these licences with care, limiting the number of users per book, since budgets may otherwise be consumed extremely rapidly against a rather limited number of titles, usually bestsellers.

## 5

### ESTABLISHING THE MOST SUITABLE LICENSING CHOICE

Libraries are precisely known to cater for an extensive range of users with different tastes in reading and varied interests. Indeed, we could not imagine a publisher or library using one sole licensing model or having all its contents under one, single lending model as far as concurrence, circulation and term. On the contrary, the flexibility of the digital context allows for different licensing models based on the type of books or reader’s affinities.

Bookwire and Dosdoce.com hope that their knowledge and understanding of the peculiarities of the licenses referred to in the infographic will enable both libraries and publishers to select the most suitable model based on their needs. This process should be looked on as a negotiation among peers. In the digital age, publishers and libraries are “doomed” to getting along, in the good sense of the word, since they both need each other more than ever.



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## 6

### EXECUTIVE SUMMARY - INFOGRAPHIC DIGITAL LICENSING MODELS FOR LIBRARIES

<p><b>USER CONCURRENCE</b></p>	<p>NON CONCURRENT</p>	Use is permitted to a single user per eBook. Single license used for loans of printed books.
	<p>CONCURRENT</p>	Use is allowed to several users simultaneously.
	<p>CONCURRENT WITH LIMITED NUMBER OF USERS</p>	A limited number of users are allowed to borrow the item at the same time (usually not more than three)
<p><b>CIRCULATION OR LOAN</b></p>	<p>LIMITED NUMBER OF LOANS</p>	Limited to the number of loans (for example, 25)
	<p>UNLIMITED LOANS</p>	An unlimited number of loans is possible.
<p><b>LIMITED</b></p>	<p>TERM</p>	Acquisition of content/services for a limited term (months, years...) A right to renewal may be negotiated but the license expires regardless of the number of loans reached.
	<p>UNLIMITED TERM</p>	Time is not taken into consideration under this license which is governed by other circumstances, such as the number of loans. The licence concludes when the maximum number of loans is reached.
<p><b>PERPETUAL</b></p>	The classic printed book acquisition license model, it is acquired for a long term (10 years) and is not determined by other characteristics such as the number of loans since it is unlimited.	
<p><b>PAY-PER-USE</b></p>	The Library only pays for the titles and the reading percentage per user.	
<p><b>SUBSCRIPTION</b></p>	The Library provides a set of books at the users' disposal establishing each characteristic; concurrence, circulation and term. Subscription is normally concurrent, of unlimited circulation and expires within a given term.	





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Bookwire 



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## CREDITS

This report was made by **Bookwire**, a platform specialising in the distribution of eBooks and audio books, in collaboration with **Dosdoce.com**, a company specialising in the development of digital business models.

**Authorship:** Maribel Riaza and Javier Celaya.

**Translated by:** Annabelle Prats

**Cover & infographic design:** Sergio Verde

### About Bookwire

Founded in Germany in 2009, Bookwire is an eBook and audiobook distribution company specialising in marketing digital content in all existing and emerging sales channels worldwide. In 2011 Bookwire became the first certified European supplier for the Apple iBooks Store.

Bookwire offers a full service package of delivery, reporting, quality management, shop marketing and conversion. The company works with over 1000 publishing houses from 30 countries for which it provides the world's largest network of eBook and audiobook shops. Bookwire has offices in Germany, Brazil, Colombia, México, Peru, Spain and Russia.

### About Dosdoce.com

Dosdoce.com was launched in March 2004 for the purpose of analyzing the use of new technologies in the cultural sector and publishes annual studies related to trends in the creative industries. Throughout the years we have compiled over 50 studies and reports on the use of new technologies in different areas of the cultural sector.

Dosdoce.com provides strategic management consultancy services, as well as digital skills training sessions to a wide range of cultural sector professional: publishers, retailers, museums, librarians, etc. Javier Celaya is the CEO and founder of Dosdoce.com, as well as Bookwire's Managing Director for Spain and Latin America.