

LJ SERIES EXPLORING EBOOK OPTIONS

FREADING ON THE RISE

The ebook sibling of Freegal is showing signs of rapid growth

By Michael Kelley

The **Freeding ebook** platform from Library Ideas went live at the end of December 2011, and 198 library systems have signed up as of April 25, according to company figures. It joins a spate of launches, including Baker & Taylor's Axis 360 platform and 3M's beta Cloud Library, and its rate of growth has exceeded those. When combined with Freegal, the company's well-established music platform, Library Ideas, in some places, is generating more downloads in all formats than even OverDrive.

Freeding has a \$150 start-up fee. There are no other fees. If a library already has Freegal, there is no charge to add Freeding. Once a library signs up, it gains access to just over 20,000 ebooks, which multiple users can read simultaneously on a pay per download basis. These features have proven attractive.

Access model avoids holds

"We have access to way more titles than we could have afforded to purchase. I think it's very egalitarian," says Lesley D. Boughton, the Wyoming state librarian, who began offering Freeding statewide on February 13. "And I don't know why we have to impose old models of library lending when technology allows us to make multiuser, simultaneous lending," she says.

For the \$150 fee, Wyoming's 23 county library systems, the University of Wyoming, seven community colleges, and all the state's school and special libraries gained access to Freeding's collection (the state counts as one customer). Boughton has budgeted \$40,000 for downloads.

"The idea that everybody can be downloading the same book at the same time and that you have the entire inventory

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to offer to your patrons, rather than selecting and guessing at what they're going to want, are both extremely attractive," says Maxine Bleiweis, director of the Westport Public Library, CT, which was a beta partner and went live with the service in January.

Freeding is not the only service to offer public libraries a ready-made collection with this access model. For example, ebrary's Public Library Complete also offers simultaneous, multiuser access to a collection of about 27,000 titles, but the ebrary plan is an annual subscription service based on population served. OverDrive's Max Access program provides a limited number of ebooks with this model.

Regardless, the model avoids holds and that is a big attraction. Peter Schoenberg, director of the eServices Division of the Edmonton Public Library, Alta., says that around Christmas 73 percent of the library's OverDrive collection had been checked out.

"A customer gets a new ereader and comes into the library and finds only one in four titles available," Schoenberg says. "So the key thing for us was the unlimited simultaneous use of titles, which limits holds."

The value proposition

Such issues were what led Brian Downing, who cofounded Library Ideas with David Berset and Jim Petersen in 2008, to see an opportunity for the company, which is based in Fairfax, VA, and employs about 20 people.

"Freeding came about because the existing supply chain did not adequately address the needs of all the interested parties: publishers, libraries, and patrons," Downing says.

Downing summarized the company's ebook value proposition in three points:



- A publisher acquires a new recurring revenue stream that maximizes the value of its content
- A library expands its ebook collection by 20,000 titles and “any money it spends is on a transaction that is delivered to the customer”
- A patron avoids hold lists and bewildering technology.

“For libraries that have OverDrive, it’s a supplement, at least in the beginning,” Downing says. “We’re positioning it as ‘look you have 8000 ebooks, 1000 of them are available, now you can have 21,000 available all the time when you sign up with us.’”

“Libraries are responding to our model because they just can’t afford to meet demand under the present situation,” Downing continues. “Our business models are innovative, and that causes a lot of discussion, but I think the story is that 2000 libraries have our products [Freegal, Rocket Languages] and [Freeding] looks to be just as popular.”

Librarians using the system, however, say they are comfortable with the controls in place that let them throttle usage, even if they might need some time to judge the ideal budget amount.

At the L.E. Phillips Memorial Public Library in Eau Claire, WI, the largest library in the western half of the state, Freeding had 369 unique users between January 3 and March 25. Those patrons used 2,207 tokens to download 1,267 ebooks (an average of 1.7 tokens per book).

“The token system is working all right for us,” says Director John Stoneberg, who added that he liked that the books were always available and easy to download. “I think we are on target to hit the \$7000 to \$10,000 we are planning on for the year.”

The token system

With Freeding, the patrons’ tokens roll over each week, but on the first of the month the total reverts to the default amount. The library does not have to use the tokens it has purchased within any set time. When the tokens run out, the library decides whether to replenish the supply and how much they want to spend.

The loan period is two weeks and a new book can be renewed for one token, with no charge to renew older books.

But the token system is an issue for some librarians.

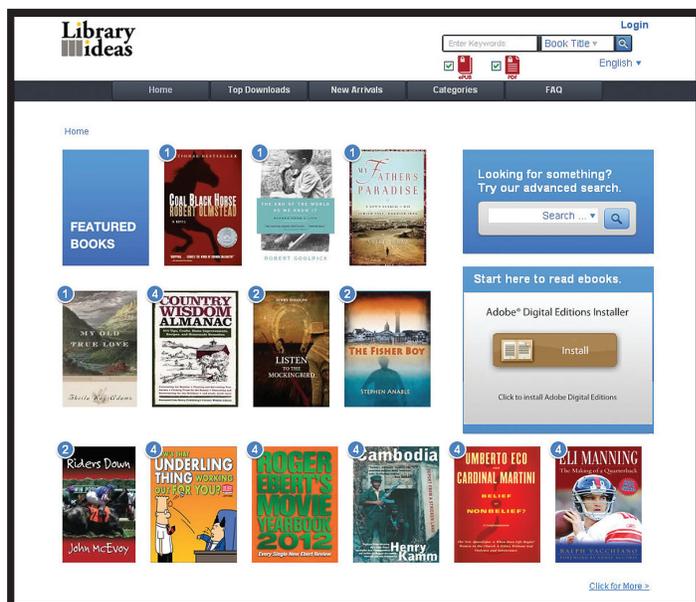
“It’s an interesting model, and it’s something that I think is worth considering, but I don’t know that it’s going to be what we’re looking for,” says Sarah Beasley, the e-resources coordinator for the Carnegie Library of Pittsburgh, who was looking at Freeding during the Public Library Association conference in Philadelphia in March.

“My concern is the token system is a little confusing and complicated. It’s not as straightforward as ‘here’s the book I want and now I can get it,’” Beasley says.

Wyoming State Librarian Boughton and Eau Claire’s Stoneberg both say the token system was not an issue and that patrons learned it easily. But one of the reasons the Nashville Public Library (NPL) decided not to go with Freeding is the token system.

“The whole system is too confusing on the customer side of things,” says Noel Rutherford, Nashville’s collection development and acquisitions manager. Nashville does use the Freegal Music service,

which Rutherford says “works beautifully.” Downing noted that Freegal has employed a similar token system for three years.



Paying per download

Freeding’s pay per download model works like this:

A library either prepays for a pool of tokens at 50¢ apiece, or is billed monthly after the fact. Tokens are allotted each week to patrons (four or five tokens a week is typical). A book published fewer than six months ago costs four tokens (\$2) to download; a book between seven months and two years old costs two tokens (\$1); a book older than two years costs one token (50¢). The patron selects a book, and its token value is subtracted from the patron’s weekly allotment at the time of the download.

Sue Polanka, head of reference for Wright State University’s Dunbar Library, Dayton, who blogs at No Shelf Required, says Freeding’s low fees and access model were attractive, but budgeting tokens could be a challenge.

“The model will be difficult for libraries to budget. It’s possible that funds could be expended in the first few weeks of the service if the library underestimated the demand or if the budget isn’t managed well,” she says.

Quality of the collection

Part of Downing’s argument is that the model “makes sense all over the ecosystem,” particularly since publishers make money on every download. This is attractive for small or medium-sized publishers whose backlists may be languishing.

“It maximizes the individual value of the book, and it maximizes the long tail so it creates an ongoing revenue stream,” Downing says. He notes that charging per download was ultimately how the movie and music companies adapted to the digital age.

The Freeding collection includes titles from about 60 publishers, and Downing says his goal is to increase the number of titles to 50,000 by the end of this year (including foreign-language titles). Many small to midsize publishers, such as Sterling, Kensington, Algonquin, Sourcebooks, Andrews McMeel, Regnery Publishing, and others, are represented.

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Dominique Raccach, the publisher and CEO of Illinois-based Sourcebooks, agrees that it was important to find a viable library model that works for authors, publishers, and readers.

"We're working with every viable library model we find, so the pay per download model wasn't a key driver for us," Raccach says. "We were a very early OverDrive partner. We were one of the first on the Freeding platform. We have three other library

collection also allows the library to discover patrons' interests at no charge until a book is actually downloaded.

"We don't buy a lot of romance, because we think that our customers probably don't want it, but we also know that romance is the biggest downloaded genre there is," Bleiweis says. "So, my guess is that we are going to make a lot of people happy whom we weren't making happy before."

"LIBRARIES [LIKE] OUR MODEL BECAUSE THEY CAN'T AFFORD TO MEET DEMAND UNDER THE PRESENT SITUATION."

—BRIAN DOWNING, COFOUNDER, LIBRARY IDEAS

model tests under way. We have always believed that libraries are an important channel to reach readers, and the Freeding platform is an interesting variation on the classic library model that bears testing."

By the numbers

The collection is broken down into 49 categories, as can be seen on California's Orange County Public Library site, and libraries can deselect categories such as erotica, if they choose.

"We have some great content, but more and better content, now that the technical launch is behind us, is our priority," Downing says.

The collection does not contain any titles from the Big Six publishers, although Downing has had "productive" meetings with all of them. But he is not counting on them.

"It's not in our business plan that they will ever do business with us. If it happens, great," Downing says, adding that getting content from the Big Six is a challenge for all ebook providers.

The absence of such content is a "big concern" for Edmon-ton's Schoenberg. "We've had the Freegal product for a while, and that has grown dramatically. We are hoping they can grow this as well. With a strong collection, this model would be a powerful product," he says.

The potential strength of the model, particularly when teamed with Freegal, is in evidence in Eau Claire. So far this year, Freeding's service is averaging about 422 ebook loans a month. For January and February, its OverDrive service averaged 1,184 loans. But the OverDrive numbers show, above all, the impact of Kindle lending. If the Kindle is factored out, OverDrive averaged 452 loans a month—about the same as Freeding.

And if all formats are included (ebooks, audio, etc.), the February numbers show 1,775 downloads for OverDrive and 3770 for Library Ideas (Freading plus Freegal Music).

Westport's Bleiweis is satisfied with the content on Freeding.

"We are doing readers' advisory on what there is in Freeding's collection that we think is really great and that we think our patrons want," Bleiweis says. "There are some great mysteries and some good solid fiction from Algonquin."

The exposure of the entire Freeding

OverDrive's WIN ("Want It Now") catalog accomplishes a similar discovery goal by exposing OverDrive's entire collection to patrons, including titles not in the library's collection, which can be subsequently licensed if enough patrons show interest.

Bleiweis says the access model also lends itself well to the 60 book clubs that the library runs, and Wyoming's Boughton says the Freeding collection is strong in Westerns, cookbooks, and crafts books, and patrons are "thrilled" to find all the Dilbert books being offered.

However, Henry Bankhead, library manager for adult services at the Los Gatos Public Library, CA, says the pay-per-use model raises other questions.

"It's considered unsustainable by critics because the library is not building a collection but offering a service," Bankhead says. "Owning the ebook file is by far the best," he says, referring to the model being constructed by Colorado's Douglas County Libraries.

Compatibility and downloads

Freading is not integrated with the library's OPAC, and Library Ideas does not yet supply MARC records, although Downing says they will be available in the near future for a fee. Library Ideas provides usage statistics and can offer a link where a library can search across all of the company's metadata.

Edmonton's Schoenberg says the administrative interface and the reports were as "good as any vendor's," but the interface jumping and the lack of OPAC integration helped sway the decision against Freeding in Nashville.

"We are very reluctant, until we get something like Biblio-commons, to add more platforms," NPL's Rutherford says.

Freading requires a resident library card in good standing and a free Adobe Digital Editions account. Orange County Public Library has prepared a good summary of the download steps. Freeding also has a detailed branded FAQ page for each library.

Freading's books come in PDF and EPUB formats. They are compatible with the Nook, iPad and iPhone, most Android-based tablets and smartphones, Kobo e-reader, Sony reader, and Kindle Fire (though no other Kindle models). Freeding smartphone apps are available for download in Apple's App Store and the Android Marketplace.

"We contacted Amazon through several channels to see if we could do what OverDrive has been doing with the e-ink readers, but we got no response," Downing says. "The Kindle Fire is a different animal. It is pretty much an Android tablet, so if you have an Android app you can make it happen without a direct deal with Amazon." ■

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Follow this series as a prelude to the October 17 LJ virtual summit, *The Digital Shift: Libraries, Ebooks, and Beyond*

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