Digital Libaries: A Focus on the Digital Resources Provider OverDrive

Sandra Findley

Terry Chartier

Dawn Brumbley

Emporia State University

Organization of Information

LI804XR

Professor Ankem

December 1, 2012

**Introduction and Background**

The Internet has had a large impact on our world, and it changes so much with every passing day. The Internet has had a large impact on society, commerce, and even the way that information is exchanged daily. Since the library is often a center for information exchange, it is no surprise that libraries have been largely impacted by this technological change as well. One way that libraries have changed is the appearance of the “digital library”. In *The Organization of Information, third edition*, it states, “the internet has given us the means for making digital libraries accessible” (Taylor & Joudrey, 2009, p.17). There are so many ways that libraries can stay in touch with the needs of the patrons, and this is one of several, especially as patrons’ needs become more and more technologically focused. OverDrive is one way that allows for digital libraries to be “accessible”, as it is a platform that works with both the library and the patrons to meet the needs of both parties. Taylor and Joudrey (2009), go on to define digital libraries as, “collections in which a site provides digitized information resources with an architecture and service for the retrieval of such sources” (p.18).

The history of digital libraries is fairly expansive, and it was once thought that all that was required of a digital library to be defined as a digital library was a webpage with links that led patrons to other information. The 90’s really changed this definition as the Internet took an upward turn and became popular very quickly in American society and households. This was also a time when more funding was provided toward creating and establishing digital content, projects, and articles (Borgman, 1999). Even though the research and establishment of this idea and its terms have matured greatly since the 90’s, it is important to remember that the definition of digital libraries and content changes along with the definition of libraries. Each must be flexible to change and meet the needs of the patrons, which is the primary purpose for any type of library. In a different setting quoted in the *Organization of Information* text, Borgman states with great detail that, “digital libraries are an extension, enhancement, and integration both of information retrieval systems and of multiple information institutions, libraries being only one” (Taylor & Joudrey, 2009, p.18). As the focus of this paper turns away from the general understanding and brief history of digital libraries to the specific source of OverDrive, it is important to keep the definitions stated above in mind as they give a better understanding of OverDrive itself and where the need for such a source originated.

**What is it? How is it constructed? What is it based on?**

OverDrive is a source that provides a large base of eBooks and other digital sources to libraries of all types, large or small, public or private. Along with eBooks they also provide audiobooks, music and video for libraries. As far as eBooks go, the OverDrive website states that they, “host(s) more than 1 million premium digital titles from more than 1,000 publishers, including Random House, HarperCollins, AudioGO, Harlequin, and Bloomsbury” (Overdrive.com, 2012). It is constructed to integrate with any ILS or LMS, and they provide MARC records to be added to any library’s OPAC. OverDrive has programs specifically tailored for public libraries, for K through 12 school libraries, for college libraries and even for corporations that have a need for their employees to access digital downloads in all sorts of different subjects. It is also constructed to work with publishers as well, giving them a platform to sell content through OverDrive’s channels. The two basic channels allow for publishers to sell directly to the customer or to sell to libraries and schools. It is made to be both a platform that someone can use with their local library and the materials provided there, as well as on a personal level for materials that they want without going through the library. OverDrive started with using CD-ROMs to provide digital content, and so it is based on a format that is compatible with the usage of discs for information. They are a company who has been a part of the digital media movement, and so most of their information and formatting was created by them as the company grew and progressed.

**History: Who developed it? Be sure to discuss when, where, why, and how it was developed?**

OverDrive was founded by Steve Potash in 1986, and is currently located in Cleveland, Ohio. It was originally developed to convert information into diskette and CD-ROM formats, but as the Internet developed further and became reliable to share and access information, and downloadable content became much more accessible, OverDrive switched from their first methods to the newer methods of accessing and sharing digital content. In 2000, specifically, it opened an eBook and audiobook repository that was called Content Reserve. Ever since then, OverDrive has striven to match the growing technology platforms and has branched out to mobile devices and eReaders. It was developed as a way to connect libraries of all kinds with digital media (eBooks, audio, video alike), either to lend to patrons or to purchase for employees or for personal use.

**How is OverDrive used?**

OverDrive is used by downloading audiobooks, eBooks, music, and video from OverDrive, or a virtual branch set up by OverDrive, to the following devices and operating systems: Windows PC, Mac, iPod, iPhone, iPad, Android, Sony Reader, Kindle, Nook, and thousands of other mobile devices. OverDrive is available for use in public libraries, school libraries, academic libraries, corporate libraries, government libraries, retail services, OEM services, and publisher services.

OverDrive use begins with a contract agreement between the provider and the servicer, OverDrive. Once the contract has been signed, OverDrive will set up a virtual branch on the provider’s web site. The patron or user of the OverDrive virtual library will need to click on the link to the OverDrive virtual library and download free software that coordinates with the device that the digital content will be downloaded on. Once the software is downloaded, the user can start browsing the virtual library for audio books, eBooks, music, and video they are interested in checking out and downloading. The search can be done using the author, title, or format. The search will also show the digital rights information. Once an item has been found for check out, the user will then need to click proceed to check out button. At this point the user will need to sign in if they have not already done this. The sign in will include the library card and possibly a user password. OverDrive will then show the selected item along with the lending period and the confirm checkout button will be available to click and verify the check out. The option to download will be available after the confirm checkout button is clicked. OverDrive will allow patrons to download immediately or wait. If a patron chooses to wait they simply go back into their libraries OverDrive link and click on “my account” and their selection is still waiting for them to download. The downloaded item will automatically expire at the end of the checkout period and will no longer open on the user’s device. If the user has not finished the item, they can sign back into the virtual library and download the same item if it is available for checkout.

**Public Libraries as Users of OverDrive**

OverDrive is a provider of digital books and more for libraries. As stated on their website, “OverDrive has developed ‘Virtual Branch’ websites for 18,000 libraries worldwide” (Overdrive.com, 2012). Because it is a web-based service, no additional hardware is required. They provide 700,000 titles to pick from in developing each libraries digital collection.

The website for OverDrive provides a link to send an email to Brian Potash, a Sales Specialist in library and educational sales for OverDrive. Potash was quick to call and answer questions upon receiving the email questions sent by one of our group members. During the conversation with Potash, (personal communication, November 20, 2012) he pointed out that “OverDrive has set up a consortium with libraries in Kansas located at [www.sunflowerelibrary.org](http://www.sunflowerelibrary.org).” The consortium currently has twenty member libraries. With the consortium, member libraries purchase content and share that content with patrons from the libraries in the consortium. The cost to be a part of the consortium is based on population. See table below for current 3 year cost scheme:

**2012-2015 Annual Participation Fee\***

Tier 1 Legal Service Area Population up to 1,000 **$600** per year

Tier 2 Legal Service Area Population of 1,001 - 5,000 **$900** per year

Tier 3 Legal Service Area Population of 5,001 - 10,000 **$1,500** per year

Tier 4 Legal Service Area Population of 10,001 - 30,000 **$3,000** per year

Tier 5 Legal Service Area Population of 30,001 - 60,000 **$6,000** per year

Tier 6 Legal Service Area Population of 60,001 - 100,000 **$9,000** per year

\*After the initial term of three (3) years, the Annual Participation Fee is subject to change.

Of this participation fee, one-third is applied to hosting, system fees, and maintenance. The other two-thirds go toward the selection of titles for the shared collection. According to Potash, public libraries make up the biggest portion of OverDrive’s customer base. Libraries have the option to stand alone and not join a consortium. One such library is Topeka Shawnee County Public Library in Topeka, Kansas. Their site can be seen at ebooks.tscpl.org. Potash clarified that on the stand-alone option, the participation fee is broken down with one-half applied to hosting, system fees and maintenance, and one-half applied to the selection of titles for the libraries catalog. However, not everyone is a fan of OverDrive.

The State Library of Kansas signed up with OverDrive at the end of 2005. That contract allowed state library card holders the ability to download audiobooks and e-books. Lianne Flax heads up the Online Services and Programming for the State Library of Kansas. Flax (personal communication, November 20, 2012) verified that the “State Library of Kansas paid $25,200 in set-up costs to OverDrive and the continuing fee was $900 per month.” During contract negotiations in 2010, OverDrive requested an increase in fees of 700% over the next three years and the removal of language that acknowledged consortium ownership of material. According to State Librarian, Jo Budler (2011), “removal of this language also eliminated the opportunity to transfer the materials (purchased by the consortium) to a different vender.” Flax felt that because “OverDrive had a monopoly for a long time on digital audiobook/e-book library platforms they were not encouraged to improve their systems and software.” On December 5, 2011, OverDrive and the State Library of Kansas ended their relationship.

**School and Academic Libraries as Users of OverDrive**

School Libraries use OverDrive as a stand-alone version. Schools are able to build their OverDrive content with educational titles based on what they need to provide to their students. Service is provided for academic libraries of two-year and four year colleges, universities, community colleges, and distance learning programs.

**Corporate and Government Libraries as Users of OverDrive**

Corporate and Government Libraries use OverDrive as a stand-alone version. OverDrive content can be built with business and finance titles, travel titles, technology titles, or standard library titles.

**Retail & OEM Services as Users of OverDrive**

Retailers like Barnes and Noble and Amazon have partnered with OverDrive to provide eBooks and audio books to the general public for purchase. Retailers have the choice to use a catalog service or to have OverDrive build and host a custom website.

**Publishers as Users of OverDrive**

Publishers use OverDrive as a means to expand their distribution to online digital media. Most publishers provide content as audio books. There is an ongoing discussion with publishers to provide their titles as e-books.

**Who Could Use it in the Future**

The creators of OverDrive have done a good job of covering the market of users. One other median that may be able to benefit from OverDrive is radio stations. They could help radio stations build their music collection.

**What do you think about the effectiveness of your topic?**

The effectiveness of this topic is evident when you consider how the American Library Association (ALA) book *No Shelf Required 2,* reported that the beginning of 2011 marked a radical change for e-books in public libraries. In December 2010, e-readers were a popular gift with three to five million e-readers activated. The ALA points out that “the Charlotte Mecklenburg Library reported new patron use of OverDrive rose 160 percent from the previous year, while at the same time digital content circulations increased 399 percent and holds on digital content spiked up 178 percent” (2012, p.127). “Overdrive remains the strongest player in the public library e-book market, having made many technological advances in recent months, including launching mobile apps for Apple’s iOS, Droid, Windows Mobile, and BlackBerrry. The company’s biggest advance was a deal that will allow Amazon’s Kindle e-reader, and Kindle apps, to use OverDrive e-books” (ALA, 2012, p. 129).

**What are its strengths and weakness?**

One key weakness with OverDrive is mainly the fault of publishers. OverDrive, as well as all digital library providers, cannot provide e-books for all titles. Some publishers are setting limits of 26 check outs per purchase, or setting e-book prices at two or three times higher than a hardback book, or not offering them at all.

The State Library of Kansas has decided to help draw attention to the issues involving these publishers. They have launched a Facebook page titled The Big 6 – ebooks in Libraries. Their Facebook page lists Hachette, Macmillan, Penguin Group, HarperCollins, Random House, and Simon & Schuster as the six publishers who are involved in restricting the availability of e-books. The Facebook page states, “Six major publishers are making it difficult, if not impossible, for libraries to purchase eBooks. Those same six publishers are responsible for publishing nearly all the bestsellers.” The administrators of the Facebook page have posted examples in the newsfeed. The following is one example: “THE PERFECT HOPE, by NORA ROBERTS eBook NOT AVAILABLE TO LIBRARIES Published by Penguin.”

HarperCollins is one publisher limiting digital e-book checkouts to 26. A website asking for libraries to boycott HarperCollins was also established to draw attention to the issue of only 26 checkouts. The website can be viewed at boycottharpercollins.com.

Another weakness is their cost. Library budgets seem to be decreasing and the cost to provide digital libraries is at a premium. This cost is affected by supply and demand. As more digital libraries enter the market, this cost should even out.

Even though OverDrive has some weaknesses, it has many strengths to offer. One key strength is that they have worked hard to establish their digital library. They are working with all players in the digital library game. It is great to have a digital library provider establishing contracts with e-reader providers so that library patrons can use their digital library without regard to the type of e-reader they have. Though there currently are issues with some publishers, OverDrive will continue to help resolve those issues, thereby, helping libraries as well.

**Would you change anything?**

It is important that a company not have a monopoly on a business. This was evident by the way OverDrive handled the renewal process with the State Library of Kansas. More digital book providers are entering the market. Competition is usually beneficial to the purchaser.

**Additional information: What else should someone know about this topic?**

Libraries have witnessed an enormous increase in e-book and e-reader usage. The popularity of e-books did not develop until after the Kindle success led to better media coverage of the e-book format. “Circulation of e-books is 131 percent higher now than it was in 2010, with the most notable increase occurring when Amazon’s Kindle was made compatible with OverDrive” (Kelsey, Knapp, & Richards, 2012, p. 42). Even though e-books have created higher circulation statistics for libraries, there are many limitations to this format. “Most ebook systems do not meet the long-term requirements of many libraries and their users for access, pricing, utility, and preservation” (Hamaker, 2011, p. 23). In addition, libraries are required to pay list price for e-books and do not receive discounts as they do with print books. Furthermore, libraries are only licensing e-books, not truly purchasing them. “Most ebook licenses don’t provide for institutional retention” (Hamaker, 2011, p. 25).

Another limitation of e-books is that they are not suitable to be placed on reserve. Many academic libraries have books placed on reserve by faculty members for their students to use in the library; however, with e-books this becomes a problem. “Content from electronic books (ebooks, ebrary items) cannot be printed and placed on reserve or scanned for electronic reserve due to license restrictions. Very few publishers are willing to permit library lending or common reserve usage” (Hamaker, 2011, p. 26-27).

Reduced access is another limitation of e-books. “Distributors, such as OverDrive, have developed the technical solutions needed to deliver content to and through libraries. The licensing restrictions, however, hamper accessibility” (Shamel, 2012). Transportability from one reader to another is limited because of digital rights management (DRM), circulation periods are limited where the content of an e-book disappears at an appointed hour, and purchasing an entire e-book when only certain pages or chapters are needed is required. “Nevertheless, librarians have agreed to all of these terms and practices in their eagerness to obtain content in this format” (Shamel, 2012).

Publishers are also restricting access to e-books. “Some of the largest publishers refuse to license their digital books to libraries. For the first time in history, libraries are unable to offer a full selection of works to readers” (Orr, 2011). The big six publishers fear that e-book borrowing is doing harm to e-book sales. This adds difficulty to the e-book lending process. In addition, “publishers don’t really understand the value of the library market” (LaRue, 2012, p. 30). Some of them think that sales are being stolen from them; however, “public libraries account for about $1.8 billion of sales a year” (LaRue, 2012, p. 30) In addition, “50 percent of all library users report purchasing books by an author they were introduced to in the library” (LaRue, 2012, p. 30). Nevertheless, libraries are hoping to find a way to work with publishers. “Publishers need libraries to thrive--and libraries need publishers to serve their users” (Orr, 2011).

**What is the future of this topic?**

OverDrive is currently the dominant vendor in the library e-book market; however, other vendors are entering the field, giving some competition to OverDrive. This will be advantageous for libraries and their users in the future. Cloud Library was launched by 3M in June 2011. They offer more than 100,000 e-book titles and are hoping to be a more flexible option for libraries than OverDrive. Freading is another new ebook company launched in December 2011. Freading stands apart from their competitors by offering a rental, or pay-per-use service. Many libraries presently use this as a supplemental service to OverDrive, and it is “a way for libraries to increase the breadth and depths of their e-book collections” (Albanese, 2012). Freading has over 100 publishers on board and they are close to signing up its first big six publisher. Even powerhouse book vendor Baker & Taylor has taken the plunge into e-books. They have launched Axis 360 which currently offers more than 100,000 e-book titles. With the increase in circulation of e-book checkouts and the growth of e-book sales to libraries, it looks like e-books will be prevalent in libraries; however, with the advent of new e-book companies, it does not seem that OverDrive will continue to be the dominant vendor of e-books.

**Conclusion**

Libraries are increasing their e-book collection and other digital collections while decreasing print materials. Demand is higher for digital materials and as a result, libraries are stepping up to the plate to meet the needs of their patrons. However, the cost of e-books and e-readers are an expense not many libraries with shrinking budgets can afford. Many libraries are looking for open-source alternatives or turning to competitors of OverDrive in order to better afford these materials for their patrons. It is evident that the growth of e-books and e-readers will continue as more and more people are purchasing e-readers or receiving them as gifts. Digital collections are evolving constantly and librarians need to monitor these changes and new developments, and adapt to each transformation. In order to succeed and survive, libraries must include digital materials in their collections. By welcoming new technology, libraries will endure and they are ensuring their value to society.

References

Albanese, A. (2012, August 27). Life with e-books. *Publishers Weekly 259*(35).

American Library Association. (2012). *No shelf required 2 use and management of electronic books*. Chicago: American Library Association.

Bonfield, B., & Farrell, G. (2012, November 25). *Boycott harpercollins*. Retrieved from http://boycottharpercollins.com/

Borgman, C. L. (1999). What are digital libraries? competing visions. *Information processing & management*, *35*, 227-243. Retrieved from <http://docis.info/strip/docis/lib/tian/rclis/dbl/inprle/(1999)35%3A3%3C227%3AWADLCV%3E/research.cis.drexel.edu%2Fclasses%2Finfo653%2Fscience%2FwhatIsDL.pdf>

Budler, J. (2011, September 12). *Dear kansas librarians*. Retrieved from http://www.kslib.info/Documents/digital%20books/joletter091211.pdf

Hamaker, C. (2011, December). Ebooks on Fire: Controversies surrounding ebooks in libraries. *Searcher,* 20-28.

LaRue, J. (2012, January/February). The last one standing. *Public Libraries, 51*(1), 28-32.

Orr, C. (2011, September 15). Secrets of ebook success. *Library Journal, 136*(15).

*Overdrive*. (2012). Retrieved from http://www.overdrive.com/default.aspx

Shamel, C. (2012, January/February). Content, connections, and conversations internet librarian 2011. *Searcher, 20*(1), 16-19, 45-46.

State Library of Kansas. (2012). *The big 6 - ebooks in libraries*. Retrieved from https://www.facebook.com/thebig6ebooks?fref=ts

Taylor, A. G., & Joudrey, D. N. (2009). Organization of recorded information. In (3 ed., pp. 17-20). Westport, CT: Libraries Unlimited.