Publishers and Authors

While the importance of a superior user experience is paramount, including a sophisticated reading app and a wide variety of innovative features available on the OCOL platform, the library’s most valuable asset is its content. The more quality books and publications make up the library, the higher its value. That’s why it is crucial to build a strong foundation with publishers and authors and create attractive business models that would encourage them to participate and make their content available in the platform.

To create a sustainable business model for participating publishers, many things had to be considered, particularly those that elucidate the state of the publishing industry in Croatia and its overall trends. Those questions allowed us to think long and hard about how to fairly compensate publishers and authors by giving them good reason to participate, while ensuring that the platform can be functional and sustainable in the long term. Perhaps most important: the platform needed to serve as proof to publishers and authors that their modus operandi and print sales would not be negatively affected by the availability of digital counterparts of their content in the platform. While this could not be guaranteed, there were ways to structure the business model so that their risk was minimal, while the potential to gain valuable insight and increase sales was significant. Before coming up with the proposed model, the following needed to be considered:

- How many popular (nonacademic) books are published in Croatia every year?
- How many scientific (academic) books are published in Croatia every year?
- How many children’s books are published in Croatia every year?
- How many books overall are sold in Croatia every year?
- What categories of books sell the most in Croatia?
- Which publishers sell the most in the country?
- What types of books sell the most, including categories of both fiction and nonfiction?
- How many publishers are there in Croatia given its relatively small size?
- Do they publish exclusively in the native language, or do they also publish in other languages?
- How many publishers have EPUB versions of e-books?
- What times of the year do books sell the most in Croatia?
- What bookstores are the most lucrative in Croatia?
- How well do foreign-language books sell in Croatia?
- What is the most popular language sold?
- Is there an archive or institute in Croatia that digitizes public domain titles and hosts them on a widely available platform (like Project Gutenberg)?
- How many public domain titles in Croatia exist in PDF versus in EPUB?
- How many academic journals are there in the national online repository? How many stand-alone academic articles are there in this repository, and what is their overall quality?
- Are e-textbooks popular in Croatia, and are publishers investing in them?
- How many books are sold in total in Croatian bookstores?
- How many books exist for circulation in Croatian libraries?
- How much money do Croatian publishers get from the government (via various stimulus packages)?
- What are currently the top twenty best-selling books in Croatia (native and foreign)?
- What is the information literacy level of Croatian citizens compared to those in other countries?
- What is the average price of an academic book and of a trade book in Croatia?
• What is the biggest bookstore in Croatia, and how many books approximately does it hold?
• What is the average number of books read by a person in a year?
• How many Croats buy books online and have them shipped to their home address?
• How many Croats buy e-books online and read them on their mobile devices?
• How much does it cost an average publisher to publish a book in Croatia (including the cost of editorial and production), and what print sales are needed to recoup this cost?
• What is considered a best-selling book in Croatia? (How many copies must be sold in a given year?)
• How many books are self-published in Croatia and through which channels?
• How well do self-published books (in any format) sell in Croatia?

Business Model

When the OCOL project was first unveiled to the publishing community (inside and outside Croatia), it was described in various brochures as follows:

• Publishers are paid for a one-year license to open a collection of e-books for reading.
• Publishers get live streams of each book’s performance and Impact Score 24/7.
• Publishers may use detailed reports to predict revenue opportunities and increase print sales.
• Publishers compete by investing in the book’s measurable online impact.
• Publishers get paid for participating directly from sponsorship funds, payable immediately after they are received from sponsors.
• Authors get invaluable insight into each book’s performance.
• Authors connect with readers on a deep level.
• Authors and publishers may use readers’ public notes to get useful feedback.
• Authors may use the book’s Impact Score to attract new deals with publishers.
• Authors and publishers may use the book’s Impact Score in promotional and marketing activities.

Some of the key parts of the agreement between OCOL and participating publishers included the following details of the nature of the partnership and the mission of the project:

• The OCOL platform enables the creation of open digital libraries in countries around the world through the use of geographic coordinates. People who access open digital libraries are identified through geographic coordinates to be inside the country’s physical borders.
• The platform serves to enable access to popular and academic literature, stimulate learning via tools for students of all ages, encourage discovery of emerging independent authors, and connect readers with similar interests.
• The platform has been developed to support the One Country One Library initiative, whose purpose is to bring books and other content in digital format to people in various geographic areas, including rural and isolated areas.
• The company provides participating partners around the world, which may include public, academic, or special libraries or library associations; nongovernmental organizations (NGOs); and private entities in the business of digital publishing, digital libraries, and distribution of digital content, with a license to use the platform and its technology and make its core collection of content open for digital reading to users in the country of their operation (in the case of the first pilot, Croatia).
• The platform and the platform content, which includes books, textbooks, short stories, journals, articles, and other reading and educational materials in digital format, are available in multiple languages via agreements with participating publishers and distributors and may be accessed by users of open digital libraries on personal computers, smartphones, and tablets.
• The reading of the platform content is supported and enabled by participating local and government sponsors—that is, organizations, corporations, and businesses that act as official sponsors of open digital libraries.
• The content owner (i.e., publisher or copyright holder) therefore grants to the company a non-exclusive right to display, market, and make available for digital reading its licensed content to users of the platform immediately after the company’s partners have received funds from the sponsors in that country.
• OCOL warrants that it will make licensed content available for digital reading to users of open digital libraries (in this case, the Library of Croatia) only after the agreement with the sponsors in each participating country has been fully executed and payment has been received.

To summarize, participating publishers need to commit to the project for a year (most agreements involving digital content are for two years), they get a flat fee for a collection of titles to be open inside the library per country, and they will be paid in advance the full amount for one year soon after the funds from the participating sponsors are secured. After the year is up, publishers can evaluate the impact of their titles
in the library and decide if they want to continue participating for another year. As an example, Publisher A may give LoC a collection of 100 titles, each priced at $10 per year (which means the publisher gets $1,000 for participation for one year), and regardless of how the titles sell in print (and whether they sell at all), they all have the same starting value ($10). Twelve months later, when the contract is up, both the library and the Publisher A evaluate the impact of the 100 titles.

One scenario may be that only 10 percent of the titles get read a lot, while most get read little or are not opened at all by users. Another scenario may be that all 100 titles are read at various times in varying quantities. How the two parties wish to continue their partnership beyond year one and under what terms is up to them. They may renew the contract for a lot more for the same collection, or the library may offer compensation only for the titles that had the highest Impact Score and the publisher may agree to leave the other titles in the library without additional compensation (which allows them continued exposure). It is important to note here that publishers and authors get more out of the library than the participating fee. The library serves as a powerful tool for them to evaluate how their content is being read and where and to see if older content, particularly, which has not been selling in print or may not even be available for sale, may get a new life in virtual environments and lead to new revenue streams. It is also important to note that LoC will not pay publishers based on any percentage read, but after the first year of participation, the publisher can ask a lot more for the titles that had a high Impact Score. Publishers are always paid up front for participation. This allows the library to control its own operation costs on a yearly basis.

Technical Aspects

Given my previous work with publishers on projects involving digital platforms and libraries, I was well versed in what to expect in terms of the types of files, their quality, and the technical issues or obstacles that might come up along the way. I knew that for established English-language publishers with a lot of experience in the digital arena, it would not be complicated to handle the transfer of the files after the signing of the contract. The technical part of the deal was rather simple: publishers were to deliver all files in EPUB format (the platform is not compatible with PDFs), and with each EPUB file they would also supply an ONIX file (which includes all relevant metadata) and a cover (in JPEG format). We gave publishers and book distributors information about the location of our FTP folder, where they would upload their files.

However, this proved to be a greater challenge with local Croatian publishers than initially realized. Many did not have EPUB files of their titles (only PDFs), and they had little or no knowledge of ONIX or the importance of metadata. The problem with not having EPUBs meant that we had to convert the PDFs into EPUBs, as that was the only way to get the titles into the library (since the publishers did not plan to
spend additional money for this task). We therefore had a digitization expert on the team whose role was to digitize available PDFs as professionally as possible. Since this took significant time and effort as well as our own resources, we carefully vetted the content to select the titles worth our time and effort. Next, since no publisher that worked with us in Croatia was able to supply ONIX files, we asked them to supply relevant information in an Excel spreadsheet, which we then used to manually add titles to the library. This also took a great deal of time and energy.

The publishers that were not able to provide ONIX files with relevant metadata information were asked to submit the following information in an Excel spreadsheet (which helped us to place each title in appropriate subjects as well as Channels in the library and to determine each title’s digital rights details):

- author
- title
- subtitle
- publisher
- publication year (of digital version)
- language
- BISAC (as many codes/categories as necessary; many books have more than one)
- territory rights (for all licensed content; in the case of LoC, this field says “Croatia”)
- ISBN
- disclaimer (for four content types: public domain, open access, licensed, self-published)
- description of the title for the book page

### Self-Publishing

As the phenomenon of self-publishing grows, more and more public libraries are providing services to indie authors. This has especially been a trend in the United States and Canada in recent years. On the academic side of the digital spectrum, university libraries have been investing in digital repositories, which host the published work of their own professors and researchers. Outside libraries, the number of aspiring writers publishing their own work continues to skyrocket. The OCOL platform is designed to capture the self-publishing phenomenon by adding a self-publishing component to help local aspiring writers in various countries get the attention they seek and possibly deserve. While there is an editorial filter in place that monitors all publications uploaded into the platform (unknown authors cannot upload their own literature without going through an admissions process), indie authors are encouraged to publish their unpublished work in the library as self-published authors. Once submitted, the content needs to pass three filters designed to protect everyone in the process: editorial (each publication must be written and presented professionally), technical (each publication must be packaged properly and delivered in the right format), and legal (each author must confirm in writing that the work they are submitting is their own and take legal responsibility for publishing it under our terms in the library).

Every regular user of the library, when going into their own user dashboard, can click on a “Publish your work” icon to submit a file for review. The same rules
apply to them as to publishers that upload titles in bulk via our FTP folder. They must fill out a number of fields about the publication they are submitting so that if it is approved, it will automatically receive a page that looks the same as other publications in the library.

The OCOL platform encourages aspiring writers not only to submit book-length fiction and non-fiction but to also consider submitting short stories. The Short Stories Channel inside the library was designed for this purpose. It features a wide range of short stories by well-known or completely unknown authors that are presented as stand-alone titles that also receive Impact Scores. At launch, this Channel already included hundreds of short stories in the public domain by a wide range of authors from all over the world, which the OCOL team designed to look like all other EPUBs with unique covers. I am especially fond of this Channel, as it takes the format of the short story to a new level. It may also be a good place for not-so-avid readers to begin their reading journeys. Setting aside forty minutes to read a short story by Émile Zola or simply using the time a reader spends on the train on the way to work to read may be an empowering experience to a person who wants to read more fiction but hardly finds the time.

**Impact Score**

OCOL Impact Score (which changes its name depending on the library; in the case of LoC it’s called LoC Impact Score) is presented to users in percentages and located on the publication page of each title. It shows the value of all reading materials in the platform (which include books, articles, journals, magazines, short stories, guides, brochures, etc.) based on user activities. In short, the more users engage with a certain publication, the higher its LoC Impact Score. If a publication gets an Impact Score of 17 percent, for example, that means it is in the top 17 percent of publications in terms of reader engagement and that 83 percent of publications available for reading in the library are used less than this publication.

An Impact Score is also assigned to individual readers (visible only to them) so that they can see how much they are reading in comparison to other users of the platform. The simple idea here is to promote reading and encourage users to continue pursuing knowledge and information on their own terms and according to their own interests and agendas.

The Impact Score is explained to publishers and sponsors as follows:

- A score is assigned (and continuously updated) to each title, popular and academic, resulting in an accurate measurement of its online impact.
- A score is assigned (and continuously updated) to each reader, resulting in an accurate measurement of his or her engagement with the available literature.
- Various criteria are taken into consideration that determine each title’s impact: number of downloads, pages or percentages read, pages reread by the same user, average time spent reading, number of highlights and bookmarks for each title, the presence of readers’ notes (private or public marginalia), and sharing activities on social media. (For security purposes, users are allowed to share only three percent of any title on social media.)

To determine the impact value of each piece of reading material in the library, the following are taken into consideration:

- portion of the text read (based on page views as rendered on the user’s screen)
- time spent reading (including first-time reading as well as rereading of certain parts)
- amount of user activity (including bookmarks, highlights, notes, and sharing)
- number of downloads (pertaining to entities inside a collection that users may export, including open access titles)
- number of times users visit the title page showing initial interest

This Impact Score affords a number of benefits for those who use the platform or participate in the OCOL projects. Not only does it help the internal team and the publishers determine how to renegotiate the terms of agreement after the first year is up (publishers may be in a position to ask for significantly more money per title for parts of the collection that performed well—the score is a reliable proof of value here), it allows the publishers to gain valuable insight into the interests of readers in particular subjects or authors per territory. Since publishing is a territorial industry and translation rights have always been sold per country (or language), the publisher is able to predict more accurately where there may be interest in promoting the print book and investing in translating it into the local language. In the case of LoC, if a book does well in the first year and has never been available in Croatian bookstores in the original language (or translation), the publisher has concrete evidence that it should direct its sales activities toward particular territories.

Likewise, the publisher may use the Impact Score to determine if the books that are read a lot lead to decreased sales of their print counterparts. This
controversial topic has been the subject of numerous papers, presentations, and book and library conference panels over the past decade. While many studies have investigated the impact of freely open digital resources on publishing, it remains largely unclear whether opening books in digital format freely to users would be linked to decreased sales. I remain highly suspicious of this claim and believe that it may actually lead to increased sales. This opens up another discussion, which is not the subject of this report and should continue to be examined at great length: do print and digital versions of the same title ever really compete with each other, or is this fear groundless and the result of the publishers’ unwillingness to experiment with business models enough to reach conclusive results?

The fact is, we still do not know. What we do know, and see persistently, is that pirated content is massively available online, and very few books are not available for free download on illegal sites. So publishers and authors already know this to be a major issue that remains largely unsolved (not even the most sophisticated DRM technologies are fully able to protect digital content from being pirated; I examined this phenomenon extensively in my previous Library Technology Report on Digital Rights Management). What we don't know is how to remedy the problem. OCOL proposes to be the solution to the problem with a “vaccine approach.” In other words, we compete with the virus by becoming immune to the virus. We compete with pirated sites by investing in open digital libraries that will open content to people in safer ways for all, legally. Not only will they promote reading and reward content creators, open digital libraries like OCOL are able provide a better user experience than pirate sites.

By closely examining the Impact Score of each title within each territory and comparing it to the print sales of the same book or publication in the same territory and in the same time period, the book industry may finally get some clues into whether opening content online actually leads to loss of revenue for publishers and authors.

In addition, the Impact Score is also beneficial to sponsors because it shows them what types of literature are most popular in the territories where they are trying to make a tangible connection with the users and potential customers. While they will not know who reads what, they will know, for example, that in the country of Croatia, top categories being read include X, Y and Z, in what regions and cities they are read, when and where, which will allow them to consider how they wish to engage such users within the library and the kinds of Pockets they choose to create. The whole country, in fact, stands to gain a lot by understanding what happens when an open digital library is freely available to its citizens and tourists for twelve months. We may be surprised to discover, for example, that Croatians read heavily in English and that they gravitate toward certain subjects more than others (e.g., when it comes to fiction, they prefer drama over thrillers, and the numbers reflect that).

Lastly, the Impact Score is greatly beneficial to self-published authors as they can use it as proof that what they are producing has an audience. If a self-published author trying to secure a contract with a publishing house, for example, publishes two short stories (which our editorial team approves) on the platform and each story gets a score that places it in the top 20 percent of what was read in the library for a few consecutive weeks, that same author has a great argument to take with them to a meeting with a publisher, pointing to the Impact Score as proof that the publisher is likely get a good return on investment because the author’s writing has already been tested on the market.

These are just some of the benefits of the Impact Score; there are more, and they will become more apparent over time. It is by no means perfect, and it does not represent the full picture, only the picture of the library through its users, who will, of course, never include every single person in the country, but it does point us in a new direction and gets us to think about whether the way to increase people's interest in reading is by eliminating all barriers standing between the reader and the text and creating optimal conditions for them to want to visit this type of library and become a regular user.