



Competitive Response

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EBSCO Makes 70,000 E-books Available DRM-Free in eBooks Platform

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In a crowd-pleasing move that increases the flexibility of e-book subscription options for libraries, EBSCO has made more than 70,000 e-books available for DRM-free licensing.

Important Details

In an effort to increase the flexibility of its e-book licensing options for libraries, EBSCO has worked with its publisher partners to make more than 70,000 e-books available free of digital rights management (DRM) restrictions in its EBSCO [eBooks](#) product. The DRM-free titles are available on an unlimited concurrent user (UU) basis with no limitations on printing, saving, or downloading and no sign-in or special software requirements. An upgrade to the product's functionality also allows users to export DRM-free content directly into Google Drive.

Libraries can choose between the new unlimited access, DRM-free version of the e-books, or the existing DRM-protected one- or three-user models. The rights restricted models function more as analogs to buying print book copies and are more cost-effective for libraries that don't need unlimited access. Also, to keep everything in a single source for customers, EBSCO is making the new DRM-free option available in the same platform alongside books that publishers want to keep under DRM restrictions (for example, books libraries adopt as classroom texts).

EBSCO developed the DRM-free version of the eBooks product in response to feedback from customers across library segments and also data collected through a survey that examined the academic student e-book experience. The company found that not only is the DRM-free model preferred, but some students have taken a stance that they will only use DRM-free resources.

EBSCO eBooks, which includes more than one million e-books and also 100,000 audiobooks from more than 1,500 publishers, globally, has also made additional new enhancements to the platform, including improved chapter downloading and accessibility initiatives such as viewer enhancements.

Analyst Rating: Positive

Strengths & Risks

That eBooks offers both DRM-free and rights-limited version of these books is significant for libraries since it gives them the flexibility of DRM-free content but also the ability to choose a lower-cost option when they don't need unlimited access. Also, EBSCO eBooks is the first major platform to offer both DRM-free and rights-limited e-books in the same comprehensive platform, which is a convenience for libraries, allowing them to access both content sets through the same product.

E-book aggregators have been working to improve their services and technologies to provide the best ease-of-use along with a seamless workflow for libraries and end-users, as EBSCO's product developments illustrate. This responsiveness to library and end-user needs is a clear strength for EBSCO, both in that it will satisfy specific needs customers have and will also demonstrate to them that EBSCO values their input.

The risk, as in other evolving digital content forms, is the uncertain future of the e-book format. Overall, e-books have not continued on the growth trajectory that began with the introduction of the Kindle in 2007, when it appeared that they might be the replacement for print books. The format has instead evolved as a complement to its print counterpart, with stronger markets among corporate, government, and academic libraries than in the trade sector. In Outsell's recent survey of information managers, the overall percentage of library content budgets planned for e-books in 2018 was 9%, with individual library segments showing moderate growth from 2016 in the percentage of budget allocated to e-books — 8% for corporate libraries, 5% for government libraries, and 13% for academic libraries.

The key to finding growth in the segment for EBSCO and other e-book aggregators will be to continue to focus their product development efforts on the particular audience segments where e-book usage is strongest and tailor product updates for those end users.

Recommended Actions for EBSCO

EBSCO is clearly listening to its customer base and will benefit from continuing to seek regular and specific feedback from them, on its own products and also on emerging competitors' products to see what additional adjustments it will need to make as the landscape evolves to more closely align with user needs.

In the near term, it will be important to focus on working with publishers to scale up the number DRM-free e-books available in the platform, as they report they plan to do. They will also want to focus on differentiating the product clearly to libraries, to ensure the benefits of the model — in particular the choice between DRM-free and rights-limited and also the inclusion of all e-book content in a single platform — are clear to potential customers.

In addition, continuing to improve accessibility, which is a key feature for both librarians and end-users, will further differentiate the eBooks platform.

Recommended Competitor Actions

Most libraries work with a number of e-book platforms, so subscriptions are often more complementary than directly competitive. A recent Outsell survey of information management leaders regarding e-book providers showed respondents held subscriptions to a wide range of services, including: AccessMedicine, Artech House, Books@Ovid, CRCnetBase, EBSCO eBooks, EngNetBase, IEEE/Wiley eBooks, IET eBooks, IHS Knowledge Collection, Knovel, MedicinesComplete, ProQuest Ebook Central, Psychiatry Online, RSC eBook Collection, Safari, Science Direct, SkillSoft's Books24x7, SPIE, Springer eBooks, STAT!Ref, and Taylor & Francis eBooks.

However, with library budgets as tight as ever, these providers need to be sure they maintain the quality of their offerings, with updated feature sets and pricing and licensing models. EBSCO's addition of more than 70,000 DRM-free e-books into its core platform will push other e-book publishers and aggregators to move in a similar direction. Competitors who don't yet offer the same level of DRM-free content or offer it but provide it in a less convenient model will want to consider upgrading their products.

Since the e-book product model continues to evolve, all e-book publishers and aggregators serving the library market will need to continue to explore functionality, packaging, and positioning to find the mix that will be most successful for the libraries and end-users they serve.

Recommended Customer Actions

As they must do with other product types undergoing significant change, library buyers need to continually monitor the various available e-book subscription options and assess whether the time is right to add or change products. Library buyers who are interested in DRM-free content will want to examine EBSCO's new option to see how it fits with their budgets and end-user requirements. The ability to select particular content in DRM-free form while keeping other content under a more limited and lower cost subscription model is one that will appeal to many library leaders.

Outsell's Bottom Line

In the past, business models around e-books have been too restrictive, constructing barriers to access for libraries and end-users. As the e-book form has evolved, various publishers have experimented with product and licensing options — e.g., one user at a time, simultaneous users, subscription vs. purchase to own, unlimited use, usage tied to a particular device, and so forth — which has in some cases created product confusion at the same time it provided flexibility. However, this latest move by EBSCO creates a model that simultaneously increases flexibility and simplicity, while responding directly to customers' requests for DRM-free content. This development, along with future improvements planned for the platform, will increase the strength of e-book subscriptions and help to propel the format forward.



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