

[Back to previous page](#)

As demand for e-books soars, libraries struggle to stock their virtual shelves

By [Christian Davenport](#), Published: January 14

Kindles, Nooks and iPads can do many amazing things, but they can't bump you ahead in line at the Reston Regional Library. In fact, if you want to borrow a book, it may be quicker to put down your sleek new device and head into the stacks.

Checking out e-books without having to leave home — just as you would buy a title online: click and boom, there it is — might be the fastest-growing segment in the library business these days. But the experience is often far from the on-demand satisfaction people have come to expect from their laptops, tablets and smartphones.

Want to take out the new John Grisham? Get in line. As of Friday morning, 288 people were ahead of you in the [Fairfax County Public Library](#) system, waiting for one of 43 copies. You'd be the 268th person waiting for "[The Girl With the Dragon Tattoo](#)," with 47 copies. And the [Steve Jobs biography](#)? Forget it. The publisher, Simon & Schuster, doesn't make any of its digital titles available to libraries.

Frustration is building on all sides: among borrowers who can't get what they want when they want it; among librarians trying to stock their virtual shelves and working with limited budgets and little cooperation from some publishers; and among publishers who are fearful of piracy and wading into a digital future that could further destabilize their industry. In many cases, the publishers are limiting the number of e-books made available to libraries.

Already, [the exploding demand for e-books has changed how libraries operate](#). Traditionally, going to the library has been like going to Wal-Mart, said Paula Isett, outreach specialist with the Maryland Department of Education, who consults with the state's libraries.

"Everything you need and want is there," she said. "There are unlimited books, and if a library doesn't have a book, they can get it. . . . Our e-book library is not like that. There is such demand, and we're struggling to keep up with it."

Now libraries are increasingly faced with a delicate balancing act: [How much of their acquisition money should be spent on print books, and how much on digital content?](#)

Accelerating growth

Even though Maryland's entire library system more than doubled its inventory in the past couple of years, it has fewer than 10,000 copyrighted e-books available. Meanwhile, the number of e-book checkouts across the state almost quadrupled in that time, to 266,000 last year.

Librarians are seeing the growth accelerate. In September, Amazon announced that for the first time, its hugely popular Kindle devices would be able to download e-books from libraries. In the past few weeks, there has been a post-holiday surge as millions of people unwrapped iPads, Nook Colors, Kindle Fires and other e-readers.

In the District, where the library budget has been slashed so much in recent years that [the system considered closing its main branch on Sundays](#), e-book checkouts grew 116 percent from 2010 to 2011. And there were more checkouts in the first quarter of this fiscal year than there were in all of the previous year, said Ginie Cooper, chief librarian of the D.C. Public Library system.

E-books now account for 2 percent of the system's total circulation, she said. But at a recent meeting, Cooper asked her branch managers to predict what that figure would be in five years.

"The lowest prediction was 15 percent, and some said they thought it would be half of what we do," Cooper said.

In Fairfax, officials more than doubled the inventory of e-book copies from 2010 to 2011, to more than 10,000, but demand for the books tripled in that time. Now the average wait time is three weeks. Of course, there can also be lengthy waits for hardcover and paperback books, although those waits are usually for current bestsellers while older titles are generally available.

By contrast, [on a typical day, about 80 to 85 percent of the system's e-books are checked out](#), said Elizabeth Rhodes, the collection services coordinator for the Fairfax library system. But after the holidays, when many people received e-readers, 98 percent of the collection was spoken for.

And thousands of books are simply unavailable — not because they're checked out, but because many publishers have strictly limited the number of e-books made available to libraries or have withheld them altogether.

Wary of piracy and the devastation it has caused the music and film industries, Penguin recently put its new e-book titles off-limits. Like Simon & Schuster, Macmillan doesn't make its e-book content available to libraries. And last year, HarperCollins announced that it would require libraries to renew licenses for e-books after 26 checkouts, [outraging some librarians](#).

Several library systems have pushed back against publishers who limit their content, refusing to buy from them and speaking out about how such restrictions upend more than 200 years of collaboration between publishers and libraries to make information available to the public.

Publishers have bristled at the criticism, saying that they have long supported libraries and that there are legitimate concerns about piracy.

In November, when it announced that it was withholding its new e-books from libraries, Penguin said it has "always placed a high value on the role that libraries can play in connecting our authors with our readers. However, due to new concerns about the security of our digital editions, we find it necessary to delay the availability of our new titles in the digital format while we resolve these concerns with our business partners."

Piracy is a real concern that has cost publishers tens of millions, said Albert Greco, a professor at the Fordham University business school who specializes in publishing.

"U.S. government departments and agencies have been hacked," he said. "If they can be hacked, think about the local public library in Alexandria, Virginia. The odds are its firewall is not as good as the Defense Department's."

'Fluid and dynamic time'

Publishers are also struggling to cope with vast changes in the industry, as brick-and-mortar stores such as Borders go under and online vendors such as Amazon have started selling e-books for far less than the print editions.



"It is a fluid and dynamic time, and many publishers are reevaluating their business model as it relates to retail and libraries," said David Burleigh, a spokesman for OverDrive Inc., which serves as an intermediary between publishers and libraries.

In the short term, libraries may not be able to meet customer demand for e-books, he said.

"But it's still very early," he said. "E-books have just really grown significantly in the last couple of years. . . . Libraries have had decades to build their physical catalogues."

Cooper, the District's chief librarian, is confident that library e-book collections will continue to grow and that the market is just experiencing growing pains.

"I can see the day when we will make the choice to lease . . . e-book content rather than a physical copy of the book," she said.

Until then, expect to wait.

Meg Broad, 22, a recent American University graduate, got a Kindle Fire for Christmas and immediately put herself on waiting lists for several books at the Montgomery County library, including "[Atlas Shrugged](#)" by Ayn Rand and "[Nineteen Eighty-Four](#)" by George Orwell.

Since then, she's moved up the waiting list, but as of last week, she had still not received any books. So, she said, she used a gift card she also received to buy the first book of "[The Hunger Games](#)" trilogy from Amazon.

"And," she said, "I played a lot of Angry Birds."

Sponsored Links

Hot Stock Pick - YLLC

Increase your stock market profits. Invest in YLLC today
www.yellow7.com

Free Day Trading Classes

Become an Expert Trader With A Free Day Trading Course Near You Today!
www.TradingAcademy.com/FreeWorkshop

Want More Mad Money?

Get Cramer's stock picks every day and see what's in his portfolio now
www.TheStreet.com/madmoney

[Buy a link here](#)