

Untapped potential: economic analyses emerging from the Australian Literary Heritage Project

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For years, Amazon has been whispering in publisher ears that they should not license their ebooks to public libraries for lending because it was cannibalizing their sales. The market-leading e-lending aggregator OverDrive has strongly refuted claims that library e-lending harms book sales, but evidence either way is thin on the ground. That's partly because the question is a notoriously difficult one to test. Unlike for physical sales, central reporting of ebook sales is far from comprehensive, and Amazon keeps its own data under particularly tight wrap. Lending data is siloed within individual library systems and is usually accessible only via commercial platforms. But for all these difficulties, the question is hugely important. How to get around them? In our case, the answer was a little extreme. We started a publishing house.

In December 2020, we published 161 ebooks under the Untapped imprint, as part of [Untapped: the Australian Literary Heritage Project](#). The books were selected by our committee of library collections experts as 'culturally important', and had been previously published but fallen out of print. We worked with their authors to reclaim the copyrights, digitised the books (including scanning and proofreading them, designing covers, writing blurbs, obtaining and recording metadata) and licensed them for retail sale and e-lending within libraries. As the 'publisher', we had full access to the sales data, and by partnering with libraries and library associations from across Australia we were able to obtain access to the lending data too.

The eventual collection was very strong, including half a dozen winners of Australia's leading literary prize, the Miles Franklin, and featuring numerous other distinguished titles and authors, important books by First Nations and other minority writers, and vital Australian stories.

We collected ebook sales and loan data for 12 months from December 2021 (see Figure 1 for daily loans over this time). As some of the lost books had already been digitised and made available for sale by our publishing partner, we also collected some historical sales data. That enabled us to compare sales patterns before the Untapped launch with what happened after and to compare the relative performance of those existing books that were chosen for Untapped with those that were not.

Drawing on those data, we will present an analysis exploring how book sales changed over time, how the collection circulated in libraries, the relationship between library promotion efforts and sales and loans, and the relationship between library e-lending and book sales.

We also examine how book-specific latent factors such as genre, the decade of release, prize longlisting and winning impact loans, and the relationships between distribution platforms and sales and circulations, and provide some preliminary information about the economic benefits the project generated for its participants.

Our preliminary findings suggest that:

1. There is no evidence that library ebook lending cannibalises ebook sales;
2. Being part of this collection increased sales for 'long tail' titles (though had less influence on the collection's most popular books);
3. Libraries have a real ability to shift the needle on both book sales and circulations when they engage in promotional activities; and
4. High transaction costs associated with obtaining access to sales and lending data and wrangling it into a form suitable for analysis render this kind of exercise inaccessible for libraries and publishers in ordinary circumstances.

Figure 1: Daily loans of untapped titles over the data collection period.

