



A RESEARCH OF E-BOOK MARKET TRENDS: NORTH AMERICA AND THE EUROPEAN COMMUNITY

Raziskava trga elektronskih knjig: trendi v ZDA in državah Evropske unije

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Abstract

Purpose: The aim of this paper is to provide an overview of research on the presence of the electronic book on the book market, its trends and developments as well as point towards the difficulties faced by all professions related to it in the countries of the European Community.

Methodology / approach: This paper analyzes the domestic and foreign literature and explores the websites of companies that operate with e-books in order to get an overview of the actual state of business operations in the states mentioned in the text.

Results: The emergence of the first online bookstores in the United States in the 20th century paved the way for the electronic book to enter the online market. Today, the e-book is an integral part of publishing, book trade and library activities worldwide. Economic indicators testify to a constant growth of revenues from the sale of electronic books on the book market and technology in the U.S. and Europe. This paper provides an explanation of the term electronic book and indicates the interest of many countries for its acquisition and application in order to keep up with the technological demands of the market.

Research restrictions: E-book trends and business operations related to them are constantly changing. In terms of librarianship, this is most visible in public libraries as both one of the customers and as later distributors of e-books to users. In their business, new models constantly emerge together with their combinations and approaches to offering these new media.

The originality: The issue of business operations in relation to the e-book is interesting to young people, libraries, publishers, authors, booksellers, etc.

Contribution: This paper provides an overview of the most recent situation on the e-book market and can serve as the basis of some future researches

Keywords: *electronic book, Digital Rights Management (DRM), libraries, e-book market, booksellers*



Izvleček

Namen: Namen članka je prikazati pregled raziskav o prisotnosti elektronske knjige na knjižnem trgu, trende in razvoj, kot tudi opozoriti na težave, s katerimi se srečujejo strokovnjaki na tem področju v državah Evropske skupnosti.

Metodologija/pristop: Članek analizira domačo in tujo literaturo ter spletne strani ponudnikov elektronskih knjig, da bi tako dobili pregled o trenutnih poslovnih modelih v državah, omenjenih v besedilu.

Rezultati: Prve on-line knjigarne, ki so se pojavile v Združenih državah Amerike v 20. stoletju, so omogočile vstop elektronskih knjig na tržišče. V današnjem času je elektronska knjiga sestavni del založništva, knjigotrštva in knjižnične dejavnosti povsod po svetu. Ekonomski kazalniki kažejo na stalno naraščanje prihodkov od prodaje elektronskih knjig in tehnologije v ZDA in Evropi. Članek prinaša razlago termina "elektronska knjiga" ter prikazuje, da se mnoge države zanimajo za nakup in uporabo elektronskih knjig, da bi lahko sledile zahtevam tržišča.

Omejitve raziskave: Elektronske knjige in z njimi povezani poslovni modeli se stalno spreminjajo. V knjižničarstvu je to najbolj vidno v splošnih knjižnicah, ki so hkrati kupec in posrednik elektronskih knjig svojim uporabnikom. Stalno smo priča novim poslovnim modelom, novim kombinacijam in pristopom pri ponudbi teh novih medijev.

Izvirnost/uporabnost: Poslovni model ponudbe elektronskih knjig je zanimiv za mlade bralce, knjižnice, založnike, avtorje, knjigarne, itd.

Prispevek: Članek prinaša pregled najnovejšega stanja na trgu elektronskih knjig ter lahko služi kot osnova za nadaljnje raziskave.

Ključne besede: elektronska knjiga, avtorska in sorodne pravice v digitalnem okolju, knjižnice, trg elektronskih knjig, knjigarne

1 Introduction

Due to the effects of information and communication technology after twenty and more years of development of electronic publishing on the United States (USA) market, the electronic book is now available to buyers/ users in various formats (PDF, EPUB and mobile device formats),¹ and different mediums (e-readers, especially e-readers

¹ EPUB is a digital format for e-readers and other mobile devices that is recommended to libraries for reading ebooks.



with electronic ink, tablets and smartphones).² The emergence of the electronic book readable on an e-reader has effected changes in book market trends. The adoption of the term electronic book (hereinafter: e-book) into the terminology of the most widespread world languages: English (e-book), French (livre numérique and livre électronique), and German (elektronisches Buch) enabled its affirmation among the public and stimulated the market demand for it. Furthermore, the commercial relationships between the publishers, book traders, libraries and customers'/users' needs regarding the delivery and reading of various digital book contents (bestsellers, non-fiction, reference, professional and scientific literature, children's and young adults' literature) have changed. The e-book has in practice become an integral part of the book chain. The sale of e-books is also largely affected by the network service providers who launched their own bookselling services. The two main platforms for reading and using e-books on general-purpose reading devices, so called e-readers with electronic ink, i.e. electronic paper in the market are iOS and Android. Economic indicators show a constant growth in revenue shares from the sale of books in the total GDP of states. Two large US booksellers, Amazon and Barnes & Noble, have possessed monopoly over the world e-book market. In Europe, unlike the USA, market operations with e-books available primarily on e-readers with electronic ink have been developing considerably slower. In the market of the member states of the European Union e-book commerce hits many obstacles before reaching the buyer/user. Some of the obstacles which stand in the way of a faster development of this market are: large expenditures for expensive e-devices, an insufficient knowledge of new technologies, protection of buyers'/users'

² E-book reader, also called an e-book device or e-reader, is a mobile electronic device that is designed primarily for the purpose of reading digital e-books and periodicals.

Any device that can display text on a screen may act as an e-book reader, but specialised e-book reader designs may optimise portability, readability (especially in sunlight), and battery life for this purpose. A single e-book reader is capable of holding the digital equivalent of hundreds of printed texts with no added bulk or measurable mass (Wikipedia, http://en.wikipedia.org/wiki/E-book_reader)

A tablet computer, or simply tablet, is a mobile computer with display, circuitry and battery in a single unit. Tablets are equipped with sensors, including cameras, microphone, accelerometer and touchscreen, with finger or stylus gestures replacing computer mouse and keyboard. Tablets may include physical buttons, e.g., to control basic features such as speaker volume and power and ports for network communications and to charge the battery. An on-screen, pop-up virtual keyboard is usually used for typing. Tablets are typically larger than smart phones or personal digital assistants at 7 inches (18 cm) or larger, measured diagonally (Wikipedia, http://en.wikipedia.org/wiki/Tablet_computer)

A smartphone, or smart phone, is a mobile phone with more advanced computing capability and connectivity than basic feature phones. Early smartphones typically combined the features of a mobile phone with those of another popular consumer device, such as a personal digital assistant (PDA), a media player, a digital camera, or a GPS navigation unit. Modern smartphones include all of those features plus the features of a touchscreen computer, including web browsing, Wi-Fi, and 3rd-party apps. Currently, about 90% of handset sales worldwide are for devices powered by Google's Android and Apple's iOS mobile operating systems (Wikipedia <http://en.wikipedia.org/wiki/Smartphone>)



privacy and security rights, difference in language cultures in the states of the EU, unharmonized book traders' owner's rights - Digital Right Management (DRM) within the states of the European Union, continuing experimentation with platforms, new business models, their combinations and approaches to the marketing of these new media, problems of piratization, a lack of understanding on the part of governments, fear of decrease in sales of printed books and bookstore closures. Being one of the e-book customers whose primary task is lending purchased material to their users, libraries are forced to adapt to the requirements of the market, as well as to the legislation of the country in which they are situated. Contrary to the US libraries which started buying and lending e-books to their users in late 1990's of the 20th century, research shows that libraries in Great Britain have only started showing interest in e-books as late as 2000 (Small, 2000). Libraries in other European states are today still dealing with the issues of purchasing, processing and lending, issues of copyright protection on e-book lending fees, the amount of authorial royalties, overpriced booksellers' discounts, and unharmonized business models set by booksellers and related to ownership rights (DRM). For instance, Amazon has different ownership rights when compared to Barnes & Noble concerning e-book sales, etc. Croatian libraries have shown an interest in introducing a new business model, but have so far not been able to realize it. The object of this paper's research is both foreign and domestic literature, as well as the internet pages of companies trading with e-books, in order to gain an overview of the state-of-the-art of business operations within the states mentioned in the paper.

2 Definition of the term electronic book

First discussions on e-books occurred in the USA at the end of 1990's of the 20th century. Armstrong (2008) states that at this time in the USA there was no clear and uniform definition of the e-book, and consequently, readers (i.e. mediums for e-book reading) were often called e-books themselves. In 1997, library experts developed a uniform standard for electronic resources – International Standard of Bibliographic Description of Electronic Resources ISBD(ER) (Buzina & Klarin, 2001),³ but it did not include the e-book in its current form because the technological requirements of the global market have changed in the meantime. Many authors tried to provide an explanation of the term e-book itself since its initial emergence on the US market until 2008 (Vassiliou & Rowley, 2008). In the survey conducted under the name Progressing the Definition of the E-book, it is evident that there are great similarities between a printed

³ Includes resources on floppy discs, CDs, DVDs and CD-ROMs, readable with an external medium – the computer. At the time of the publication of this standard e-books were still not a part of libraries' holdings, but were distributed in the market.



book and an e-book. The term e-book should, in fact, include the content of a book available in electronic form which can be downloaded from the internet and read on various platforms with the addition of reading software (Garrod & Weller, 2005). According to Sporkin (2011), the scope of an e-book fits the printed publication in digital form, and includes both text, and pictures. Furthermore, it is produced, published and can be read on computers or any other computer devices. Živković (2001, p.49) suggested the following definition of the term e-book: "The electronic book is one or more computer databases of limited content which are available to the public either in a network (network book) or in material form (on a CD-ROM, floppy disc). Apart from the text it can reproduce pictures and sounds as well as links to similar web pages and programs for changes and additions." This definition is still viable today, but with some technological editions.

Thus, the e-book is a digital version of the traditional printed book. The content is read on personal computers, tablets, or with the help of hardware devices – e-book readers and smartphones. The content of an e-book is distributed from the publishers to the customers/users by means of the network or is physically available on an electronic medium. Furthermore, in order to call an e-book an e-book it must satisfy legal regulations by which it is recognizable to its end customers/users: "It can be interactive, allowing for changes and additions made by the readers. In its entirety it has to be marked with the International Standard Book Number (ISBN), regardless of whether the ISBN is the mark of an electronic book, or merely an integral part of the DOI (Digital Object Identifier) or URN (Uniform Resource Name) number, specifically created for dealing with electronic resources" (Horvat & Živković, 2012, p.99). Therefore it is evident that in electronic publishing, as well as in the traditional one (Živković, 2001, p.15), there are nine sections connected into one whole which effect the production of books: literary creation, translation, illustration, publishing, printing and production, distribution and marketing, bookselling, reading and, finally, libraries. Today the e-book, readable on devices, is distributed in the market through internet libraries, telecommunication providers, as well as borrowed from traditional libraries.

3 First internet bookstores

The term electronic book is usually closely related to the term internet bookstores or internet bookselling stores. An internet bookstore sells publications on its internet (web) page. At the same time when internet became accessible in the USA at the beginning of the 1990's, internet (web, electronic or online) stores were developed, and this was also the time when the first web bookstores emerged– Amazon, Inc. and Barnes & Noble, Inc.



Due to its flexibility, relatively low expenses and standardization of internet technologies, the internet becomes a cheap and easily accessible mode of business operations even in the smallest companies (Kalakota & Whinston, 1996, p.45). Within the framework of the before mentioned business operations, users of the internet and new technologies utilize the advantages of internet shopping and buy e-books from the comfort of their own home regardless of space and time.

First e-market surveys, whose results would set the stage for later e-book trade, were conducted among the consumers in the USA in 1994. The aim of the founder of Amazon.com, Jeff Bezos, in the first part of the survey conducted, was to find out which product can be best sold over the internet. In the first part of the survey Bezos discovered that the five most sold products were: music CDs, films, hardware, software and books. In the second part of the survey he applied more criteria to these five products, the most important criteria being the relative size of the market, the price, and the scope of the product range (Lebert, 2009). According to the results obtained it was visible that there were 3 million books on the market, and only 1/10 comprised books stored on CDs. Based on the results obtained in the survey conducted in 1995, he concluded that books are the best selling products. Accordingly, Bezos launched the first web bookstore, Amazon.com. After that, the e-book market started moving from the USA to the rest of the world. In 1998, Amazon.Inc, with its Seattle headquarters, started spreading to markets outside the USA. So far, subsidiaries in England (Slough, Berkshire, 1998) and Germany (Munich, 1998), France (Mobipocket.com, 2000), Japan (November 2000), Canada (June 2002), China (Joyo, 2004), Scotland (Edinburgh, 2004), Ireland (Data Services Ireland, 2005), Republic of South Africa (2005) and elsewhere have been opened.

A considerable market share, alongside Amazon.com, belongs to the American bookstore chain Barnes & Noble.Inc, which started an internet bookstore in 1997, and became the second largest internet bookstore in the USA in 1999. This bookstore's headquarters are in New York. It owns more than 700 stores in the USA, as well as 600 university bookstores.

Currently, the most important online publishers/ booksellers, apart from Amazon.com, are Apple iBook store, Sony ReaderStore, Epub Books and Kobo (Matrix, 2013, p.2-3).



4 The emergence of e-readers

The launch of internet bookstores in the USA placed the e-book on the world market. The preconditions for the development of the e-book were started through Project Gutenberg in 1971. It has been recognized since then that there is a need for the creation of e-book content reading devices which should come from some other, i.e. technological, services (Horvat & Živković, 2012). Although the first hand-held e-book readers emerge at the end of the 1990's of the 20th century, due to their high prices, insufficient amount of e-book content, and undeveloped technology they do not trade well on the market (Stone, 2009).

The new market era of the e-book starts in 2007, when Amazon.com launched the sale of the e-device Kindle at the price of 399 US dollars, with 90,000 titles of digitally limited forms of books (e-books) accessible to users. At that time Amazon's bestsellers at the price of 9.99 \$ attracted the buyers of Kindle, even though this price for an e-book was not justified (Horvat & Živković, 2012). Amazon's e-books are still available only in the AZW form which is incompatible with other e-readers. The goal was to permanently tie the users to their device through digital rights, profit, and monopoly over the market. Amazon today makes deals with large book publishers, with whom it enters into Digital Rights Management agreements, thus tying the sold e-books permanently to their e-reader. Furthermore, they possess the data on e-books sold to their customers and on those sold to Kindle. Therefore due to the book copyright, they have the right to erase at any time the content of any book that was not bought in their online stores. Petr Balog and Feldvari (2013) have found out that, in 2009, Amazon withdrew from their online bookstore Orwell's *Animal Farm* from 1984 because it turned out that the company that distributed these books through Amazon did not have the copyright for these works. In addition to the withdrawal of these titles from their store, Amazon 'deleted' these titles from Kindle devices of persons who had already bought them (and gave them a refund). Accordingly, the authors' opinion is that this was taken as an invasion of privacy, and the public realized for the first time that Amazon (just like Big Brother) has access to Kindle devices and everything stored in them (Petr Balog & Feldvari, 2013, p.98).

In July 2009, Barnes & Noble founded the world's largest internet bookstore, and in October of the same year it placed on the market the e-book reader called Nook based on Android operative system with a color touchscreen. Nook supports the PDF and .EPUB formats. Barnes & Noble introduced the LendMe® technology for e-book lending and free #G wireless and Wi-Fi access. The application for e-book reading on the Nook reader is compatible with applications on iPads, iPhones, Macs, PCs and the Android platform. When users purchase a copy of a Barnes & Noble e-book, the copy remains



permanently in their hands. The same model of business is also evident in Amazon. If a book purchased at Barnes & Noble possesses the mark “LendMe”, the owner has the right to lend the purchased e-book to someone else for a period of 14 days. That way the buyer also lends to the third party their digital book copyrights and during that time has no right to read the book they purchased. If the owner deletes permanently the purchased book, they have to buy it again. The books can be bought with credit cards at the Barnes & Noble web page. The e-book cannot be printed with a printer (Our, 2013).

In 2010, Barnes & Noble entered into cooperation with Google Books. Hence, they offered their buyers a service of free download to their readers of titles which do not underlie to ownership and copyrights within the Google Books domain.

Apple issued their first multifunctional tablet computer– iPad in 2010. In the same year the popularity of e-books grew even more in the USA. According to statistical indicators on e-market research in 2010 and 2011, the sales of e-books surpassed the sales of printed books, and this is due not only to the Kindle device and Amazon’s aggressive policy of low e-book content prices on the market, but also to the AZW format which ties the book permanently to Kindle devices as well as the DRM Amazon model.

The Canadian company Kobo.Inc placed the KoboeReader e-reader on the market in May 2010. Two months later, in July of the same year, Kobo.Inc became the main competitor to the leading internet booksellers on the USA market, by drastically reducing the prices of e-readers. In 2012 within the company the ownership structure and business model was changed, so Japan and other countries of the Far East became the new target market (Rakuten.Inc, 2014). Kobo’s software supports applications for BlackBerry, Playbook, iPad, iPhone and Android devices, which makes it adaptable to customers’ requirements. On Kobo’s newest readers one can store up to 30,000 books (32 and 64 GB memory), (Kobo, 2014). Unlike Kobo, Kindle and Nook can store considerably less book titles. Apart from the readers mentioned, there are other e-readers available on the market today, e.g. Sony edition readers, Txtr eBook Reader, Prestigio App 3.0, etc.

5 The European Agenda and the e-book

In the *Digital Agenda for Europe* there are seven priority areas of action in implementing digitalization in the states of the European Union. The aims are following:



1. Advancing the European borderless digital economy, creating the world's largest and richest digital single market for content and services, while fully guaranteeing consumer and creator's rights.
2. Speeding up public sector innovation enabled through the deployment of interoperable ICT and a better exchange and use of information.
3. Regaining world leadership for network services, by stimulating private investment in high- speed fixed and mobile broadband networks, enabled by legal predictability, improved planning and targeted private and public EU and national funding.
4. Fostering a secure and trustworthy internet environment for users and operators, based on strengthened European and international collaboration in responding to global risks.
5. Establishing a coherent framework and conditions for cloud computing services in Europe creating the world's largest cloud enabled ICT market.
6. Creating a favorable environment for transforming traditional business, and spurring innovative web-based ventures. Increase digital literacy and the proliferation of digital skills, to fill the gap between demand and supply of ICT professionals.
7. Implementing an ambitious strategic research and innovation policy for industrial competitiveness based on funding key enabling technologies (Communication, 2012, p.4-5).

Also, these areas open the possibility of an e-book to develop better and to be better placed on the market with the help of internet access, improving digital literacy, skills and e-inclusion, etc. An e-book can be bought by registering on the bookstore's website and by possessing a credit card. By opening the subsidiaries in the UK, Germany, France, and later in Luxembourg, Spain, Italy and others, by property rights, which are imposed by Kindle sales, AZW format and favorable market price of e-books, Amazon takes over the monopoly in the European market. From the statistical data of the research conducted by the AAP / BISG, it is evident that the export of e-books in the U.S. and in Europe by 2012 has grown (Global, 2014, p.24). Nevertheless, the latest statistical data of semiannual Wischenbart Global e-book market report shows that the export of e-book, from the U.S. to Europe, had been largely flat by April 2014 (2014, p.23). Due to many differences and specificities of European states' administration, the electronic market in Europe is developing considerably slower than the market in the USA: it has no fixed inner uniformity that USA has. It is also faced with different VAT rates which hinder a fixed price of e-books and put them in an unequal position compared to the printed ones. It also has to deal with the legislature which differs from state to state, different economic stability of states, differences of language cultures, privacy and security rights, and different ownership rights (DRM) which create additional problems for libraries as customers, and the existence of small publishers in the e-book market. Furthermore, constant experimentations with platforms, new business



models, their combinations and approaches to new media on offer, undeveloped infrastructure, problems of piratization, fear of decreased sales of printed copies and bookstore closures, as well as not finding a common language between the publishers, authors, and book traders are obstacles that stand in the way of the development of the e-book market.

Since the e-book market in European states is still not researched in full, there are no concrete statistical data on the total number of e-books and e-readers within the whole European Union. E-book publishers possess data on how many of their books are sold in the European Union, but not on which devices they are read.

The European Commission is of the opinion that one should pay a license fee for an e-book readable on an e-reader. While aiming to harmonize the functioning of the market, the European Commission has been dealing with the problems of e-books which affect authors, publishers, customers/ readers and network service providers.

With the goal of opening the e-book market in the European Union towards all European citizens and removing all obstacles which prevent the use of e-books, the vice-president of the European Commission Neelie Kroes, responsible for the *Digital Agenda for Europe*, held on June 26, 2012 a *Round Table on Ebooks* for those responsible for the area of the e-book market: publishers, booksellers and network services providers. At the Round table the signing of the *Declaration on EBooks* was initiated which aims to affirm the e-book in the European Union through the publisher, the bookseller and the network services provider, and especially readers by making e-books more available on e-readers. The signatories of the *Declaration* have guaranteed not to set limits on e-book usage, regardless of territorial affiliation, on platforms and e-book reading devices (e-readers, smartphones, computers, etc.) Also, they should introduce the e-book VAT which will be neutral until there is interest in e-books and until it does not harm the sale of printed books. The signatories of the *Declaration* in the section of publishing are British The Penguin Group, French UPblisher.com, Italian Simplicissimus BookFarm and others (Declaration, 2012). With the growth of the e-book market in the 21st century, there is a parallel challenge and the benefits that an e-book brings when comparing it to a printed book. Some initiatives from librarian representative bodies advocate a change of the overall situation at the EU level to raise awareness of readers and reading rights protection. For example, EBLIDA – European Bureau of Library, Information and Documentation Associations, an independent umbrella association of national library information, documentation and archive associations and institutions in Europe has decided to start a joint campaign „The right to e-read“ of all library associations in Europe on its 21st annual conference in Milan on May 15th 2013. “Therefore EBLIDA hereby calls on the the EU Commission for a clear copyright framework that



allows libraries to acquire and lend e-books with an adequate remuneration to authors and other rights holders. Just as with printed books, an updated copyright framework should allow libraries to continue to provide their services for the benefit of all European citizens.” (The right, 2013). In Brussels, European Writers’ Council (EWC), Federation of European Publishers (FEP) and European Booksellers Federation (EBF) in Manifesto for the 2014 European Elections have defined four main priorities which refer to the book chain. These priorities are:

1. Balanced and fair copyright conditions for the benefit of book creators and readers alike.
2. A fiscal regime which favors wide book dissemination.
3. Fair competition on the Internet, including interoperability between the different offers and encouraging the legal offer.
4. An educational choice, taking into account the fundamental role of professionally published materials (Manifesto, 2014).

With regard to fair market competition (priority 3), Manifesto for the 2014 European Elections calls for equal opportunities and the expansion of choice for European readers because, according to it, fair market competition is compromised by the conduct of certain dominant players in the retail market. Fair market competition includes four main points:

- The possibility of finding books, a selection of retail sellers and interoperability which are the three key determinants of choice and competition. A fair market should be supported for the book sector and equal terms, so authors and publishers can continue to create and produce books that educate, inform and entertain the citizens of Europe.
- Attractiveness to European readers by promoting easily accessible digital content and therefore improving the e-book market - not just its size, but also the ecosystem in which the books are purchased and acquired (this includes devices, software for reading and acquisition platforms).
- Connecting the authors, booksellers and publishers interested in promoting business models that make digital content more accessible to consumers with whom they are in contact within their daily business.
- Support to initiatives aimed at increasing interoperability (such as the development and adoption of e-Pub, open standard format of e-book) and promote interoperable choices in public procurement.



6 E-book on the developed European market

"The arrival of the digital book has already profoundly changed the world of publishing. In some genres and some markets, digital books can outsell their printed versions. The increasingly popular method of reading a book on a small handheld device looks likely to become the norm for future generations' reading habits." (Sieghart, 2013, p.6). On the European Union market, Amazon still has predominance in relation to other distributors: „It can be said with certainty that in most countries, e-books gain market share, yet at significant local variations. Germany has started to evolve along a curve that is similar to the English language markets, yet with a delay of roughly three years. Spain has also had a fairly impulsive start, in view of the otherwise rather slow digital penetration in previous years. In France, and perhaps also in Italy, the momentum seems to be fairly limited. In Sweden, an otherwise early adopter of digital trends, a genuine domestic e-book market, most interestingly, has hardly taken shape, due to a mix of remarkably high prices for e-books (similar to France), and the role taken up by libraries who are lending significantly more e-books to readers than retail has sold so far. The Netherlands can be found somewhere in the middle, with regard to both market share and pricing levels." (Global, 2014, p.20).

It is understandable that the sale of e-books in Europe prevails in United Kingdom due to the greater availability and lower prices of e-books in English (Global, 2014, p. 4) British Publishers Association, due to the visible growth of e-book sale in United Kingdom, has started, in the spring of 2012, an online petition inviting the government to abolish VAT of 20% on the e-book and introduce a zero VAT rate, the same as on the printed book (Flood, 2012).

Even though book lovers in Germany prefer printed books, the e-book market is growing. According to the Global eBook Report (2014, p.4) Germany is ahead in embracing digital trade books, especially fiction, but is clearly behind the US and UK. The sale has grown by 77% in 2011. In relation to 2010, German e-book market was faced with a lack of content in German, unacceptable English keyboard and English menus on tablets and e-readers and high prices of e-readers for a long period of time. Company called Libreka has made the distribution of e-books in Germany possible, and bookselling chain Thalia decided to create its own market by launching its own e-readers and e-books (Horvat and Živković, 2012). „Weltbild/DHB are also founding partners of the Tolino e-book alliance, together with Thalia, the largest German chain book store, Bertelsman Club, and Deutsche Telekom as a technology provider, launched as of March 2013, and accounted for a market share of around 37 percent of the German e-book market, topped only by Amazon." (Global, 2014, p.34). Therefore, the number of titles in the German language sharply increased, which led to a rise in



sales of e-books. „After seeing a rather symbolic growth for all of 2013 of 0.1 %, and a declining market for the three previous years, 2014 has had a bumpy start again, with a cumulated loss of 2.8 % for January and February.“ (Global, 2014, p.33). In Germany VAT for printed book is 7 % and 19 % for e-book. The first e-book trader in France, up to now, was Mobipocket.com (subsidiary of Amazon). Book trader NumiLog (subsidiary of Hachette Livre in France) offers books in English, Spanish, Portuguese and German language. Offered books are intended for different types of customers/ users from different disciplines: psychology, law, history, education, computer science, technology and engineering, biology, literature and art, fiction, literature for children and young adults, etc. (NumiLog, 2013). In order to resist Amazon's predominance in France, two leading book distributors NumiLog (subsidiary of Hachette Livre) and ePagine (solution provider for libraries) have announced a partnership. Since spring 2012, Kobo.Inc has 50 % market share in selling e-readers in France (Barbour, 2012). In 2013, France was the second largest domestic book market in Europe. But the overall book market has been slowly declining for several years. In order to improve the e-book sale, French government has equalized VAT on printed and e-book as well as on audio books, so the VAT rate for all three amounts 7 %. In the future, French consumers are expected to increase the usage of tablet computers and e-reading devices. Amazon dominates the Spanish market and has opened its Kindle bookstore in December 2012 with 22.000 titles in Spanish. Also, books in Catalan, Galician and Basque language are available (Biba, 2011). Spain is applying a VAT rate of 21 % on e-books. According to the Global eBook Report (2014, p.39) the total value of e-books is estimated at around 3 to 5 % of the total book market (or even 5 to 7 % for trade titles). But this level can reach up to 10 to 15 % for bestselling fiction, and even more than 20 % for erotic fiction. Overall, an estimate of 3 to 4 million e-books worth between €12 to €18 million have been sold in 2013 (up from €2 million in 2012, according to various estimates). According to Informazioni Editoriali in Italy in 2013 it was estimated that e-books have had a market share of around 4 %, while in 2012 this percentage amounted 2%. E-books are on average discounted at 42 % from printed editions which is based on the cover price. In Italy Amazon has an estimated market share of 35 to 40 %. Besides that, 92 % of titles are owned by Digital Right Manager (DRM), with social Digital Right Manager being predominant at 55, 16 % against 41.47 % for adobe's hard copy protection. In Italy VAT is 4 % for printed books and 20 % for e-books. Since January 2012, Luxemburg has decreased the VAT rate on printed and e-books and it amounts 3 % on both. Also, the French government has equalized VAT on printed and e-books as well as on audio books, so the VAT rate for all three amounts 7 %. Because of applying a reduced VAT rate to supplies of e-books, since January 2012 the European Commission took France and Luxemburg to court. As mentioned previously, the rate is 7 % in France and 3 % in Luxemburg. Although printed books are eligible for a reduced rate under the current EU law, e-books are not. The supply of e-books is currently considered an electronically



provided service and not the sale of a “book”. The Commission is expected to make proposals by the end of 2013 to end the unequal treatment of e-books and printed books. However, any new rules would not come into force until 2015. Until that time, France and Luxembourg could face heavy fines if they are found to have violated the EU law. This decision enabled the Amazon monopoly, because Amazon European HQ has headquarters in Luxembourg (Plainchamp and Devillers, 2012). In spite of Amazon monopoly, the rest of book traders still have space for developing the e-book market. Ever since 2012, Amazon has been planning to have a localized branch in the Netherlands. But for now, the largest online bookstore in the Netherlands is Bol.com and it supports EPUB. In this country VAT is 6 % for printed books and 21 % for e-books.

In Sweden *Amazon* has still no local presence, yet it is rumored to set up an online shop in 2014 (Global, 2014, p.42). The market share of e-book in Sweden is not expanding significantly, as digital ones still represent only some 1 % of market share which is largely dominated by publishing groups *Bonnierförlagen* and *Norstedts*. In spite of being an early market for digital technologies, e-books are still in their very early days there. In Sweden VAT is 6 % for printed books and 25 % for e-books.

7 The role of e-books in Central and Eastern Europe

In 2012 in Slovenia, Croatia, the Czech Republic, Estonia, Lithuania and Latvia, Hungary and Romania only a small number of e-books was available (from 400 to 1600 titles depending on the country). In 2013, a growth across almost all Central and Eastern Europe (CEE) countries was detected. In all CEE countries, the preferred format for local e-book titles is EPUB and most publishers use hard DRM, but with a growing skepticism as to its value, so watermarking is gaining in popularity (Global, 2014, p.51). When talking about CEE countries, Slovenian publishers are the only ones who have decided to set the prices of e-books equal to those of paperback edition. The main reason is the fact that, due to the higher VAT and royalties, the production costs of e-books are more or less equal to those of printed books. „Besides such locally developed e-distribution platforms that were prevalent in the region, *Mladinska knjiga* in *Slovenia* has developed its own digital bookstore in the partnership with the American company *Impelsys*. Additionally, in *Slovenia* in September 2013, the e-book library distribution platform *Biblos* (owned by the local fiction publisher *Studentska založba*), in cooperation with Slovene public libraries, has started to test the unique business model of offering customers the possibility to either buy an e-book or borrow it for free for two weeks, with both alternatives proposed through the same Web page.” (Global, 2014, p.51). In Serbia, at the moment, there is no local distribution platform for e-books because the cost of development would exceed the possible income. E-book market in



Croatia, in comparison to developed European countries such as UK, Germany, Spain, Italy, France etc., does not exist. „At the end of 2012, there were only few domestic platforms (Planet 9, Vip e-bookstore in cooperation with TookBook, Double rainbow ...) and about 600 titles in e-format.“ (Bartolčić et al., 2013, p.75). In 2013 the number of e-book titles increased to 1800 (Global, 2014, p.51).

PDF and EPUB are e-formats in which books in Croatian online bookstores are readable. It is possible to buy an e-book after the activation of a user account in the three bookstores mentioned. From the results obtained in surveys from 2011 and 2013, on the purchasing and reading habits of Croatian citizens it is evident that Croatian citizens on average read very little. The survey was conducted by GFK Croatia at the initiative of the Booksellers' Block and the Association of Publishers and Booksellers with the financial support of the Ministry of Culture. The survey conducted in December 2011 showed that in 2 per cent of Croatian citizens there is an interest in buying e-books; in 10 percent there is interest in reading such books, and in 90 percent there is no interest (Hina, 2012). The situation is similar in other countries of Eastern and Southeastern Europe (Bartolčić et al., 2013, p.76). The assumed reasons for weak reading habits of the citizens of the Republic of Croatia are: high e-reader prices in Croatia, a small number of electronic publishers and an undeveloped infrastructure. The VAT on e-books in Croatia is 25 % because they are treated as a service (Bartolčić, 2013). Unfortunately, in Croatia no clear strategy for the development of the e-book market has been introduced which would be in the best interest of the Association of Publishers and Booksellers. The Association of Publishers and Booksellers is presided by Neven Antičević from Algoritam, Ltd. Zagreb, and his vice-president is Mišo Nejašmić from the publishing house Jesenski Turk, Ltd. The Association deals with the issues of publishing and supports its development. It works in three directions:

- a) on changing the legislature in relation to improvement of the state of publishing and books;
- b) on harmonizing mutual relationships in graphics, publishing and bookselling;
- c) on participating in the organization of book fairs – Frankfurt Book Fair, Belgrade Book Fair, Sarajevo Book Fair, Leipzig Book Fair, Interliber in Zagreb, and still pending are the book fairs in Bologna, Mostar, Novi Sad and other regional fairs, primarily in university centers. Until now regional fairs have been held in Pula, Zadar, Osijek, Varaždin and Zagreb. (Zajednica, 2014).

Currently the largest Croatian publishers are holding discussions on the production and market of the local e-book. In Croatia it is not possible to give an e-book as a gift or to print it on paper yet, and the reason is ownership rights management. By deleting one's user account at the respective publisher, all books bought through it are deleted, too (VIPnet, 2013). The assumption is that in a few years the sale of e-books will



dominate the market and that it will be bought by young readers, the so called Google generation. According to some projections, evident from Table 1 until 2015 there will have been an increase in the sale of e-books in Croatia.

Table 1: Market increase of e-books (US\$ Million): Croatia 2005 – 2015⁴

Year	Croatia	% of Region	% of Globe
2005	1.60	0.33%	0.11%
2006	1.67	0.33%	0.11%
2007	1.74	0.33%	0.11%
2008	1.81	0.34%	0.11%
2009	1.88	0.34%	0.11%
2010	1.95	0.34%	0.11%
2011	2.03	0.34%	0.11%
2012	2.11	0.35%	0.11%
2013	2.19	0.35%	0.11%
2014	2.28	0.35%	0.11%

8 Libraries and the e-book

Digital content has been present in the libraries' collections of the early nineties. The users have mainly been able to access large databases of newspapers, academic journals and specialized monographs. With the ascent of the e-book readable on an e-reader with electronic ink into the world market, both libraries and buyers recognized its advantages. They started cooperating with e-booksellers and developing new business models with the aim of adapting to the requirements of their users in accordance with their main mission – enabling access to information. However, with the introduction of e-books into their own holdings, libraries faced the challenge of supplying, processing, lending and copyright protection, storing the prescribed copy, new possibilities of cooperation between the librarian, the ICT expert, and the e-publisher, users' privacy rights, etc. New technical, legal and strategic issues were raised (IFLA, 2012). Hence, on the one hand the e-book enabled the libraries to advance their library services, but on the other it put the libraries in an adverse position in relation to electronic publishers and traders. While some of the areas of interest are common to both kinds of digital content, the issues of library access to traders' e-books differ considerably

⁴ Year Croatia % of Region % of Globe according to Philip M. Parker //INSEAD. Retrieved 10. 2. 2014 from: www.icongrouponline.com



from databases, which are a voluntary information provider where the focus is usually on agreed access. Publishing bookseller e-books, which is developing rapidly, sets various technical, legal and strategic challenges for libraries which have in some cases led to confusion and frustration both for the libraries and their users, as well as for the publisher and the author (IFLA, 2013). Furthermore, according to the document mentioned, libraries are facing a new reality in which they are often limited in conditions of obtaining commercially accessible e-books for their collections. For example, some booksellers, publishers and authors block sales when they are convinced that access to e-books in libraries will undermine the retail and thus reduce commission. In this way they have distanced themselves from the possibility of decreased sales and profit. The licensing conditions of e-books impede their library lending. Copyright owners operate on the assumption that they have the right to control all further use of digital content after the initial access on the part of the buyer. They set limits followed by unannounced price increases. In 2012, the American Library Association (ALA) in the USA opposed strongly the before mentioned business operations and unannounced price increase for e-books which excludes the American copyright law, i.e. the protection of libraries' and individuals' rights (New, 2012). In some countries court processes have been held over the rights on digital content. If there is consensus on the application of digital works which should be treated the same as physical objects, i.e. that resale and lending are allowed without the permission of copyright holders as long as one copy of the same work remains one copy, a great number of IFLA's principles will be achieved. However, if the interpretation of copyright holders that they can control all post-first sales and use of digital work prevails, the mission of libraries related to ensuring access to written resources will in time be endangered (IFLA, 2013). Contrary to this, some publishers who are aware of the change in the market have continued to research new business models in public libraries through pilot-projects with limited duration or pilot-projects implemented only in certain regions (Ebook Business, 2013). On the other hand, constant experimenting with platforms can cause confusion of libraries over choosing the most suitable platform for e-books. Although there is no unique business model for all types of libraries, ALA in its report, *Ebook Business Model scorecard for public libraries* (2013), ensures information on business conditions that deal with conditions of loaning books which libraries can use to craft model contracts that work for their library systems.

The *Scorecard* can also be used by librarians to "weigh" the variables most important for their library. By completing the *Scorecard* the library can identify what contract variables are essential, which can be used to craft a model contract for the library (Ebook Business, 2013, p.1). They are replicating the Print Model, Inclusion of all titles, Right to transfer content to a different delivery platform, Right to lend content indefinitely, Accessibility for people with disabilities, Integration, Single user, Limited number of



loans, Variable pricing, Delayed sales with discounts, Premium for immediate access to delayed titles, In-Library check-out, Restrictions on consortia or interlibrary loans, Enhanced discovery, Sales channel. IFLA has updated the 2013 Principles which are focused on presenting the approach to e-books, importance of copyright exceptions and limitations, accessibility, continuity of access, including the ability to preserve the privacy of the user with a revised preamble and concise text. According to Seighart (2013, p.6) „Publishers want libraries to be successful in digital lending but not so successful that they significantly inhibit the purchase of the publishers’ titles.” In the UK, in 2013, initiatives dealing with the creation of a single model of borrowing e-books in libraries have been launched. The same year, William Seighar offered his own proposal for the future operations of public libraries in relation to borrowing an e-book titled *An Independent Review of E-Lending in Public Libraries in England*. English government welcomed the recommendations from Seighar’s report as guidelines for e-borrowing in public libraries. Therefore, the three main principles are:

1. Public libraries should be able to offer remote E-Lending service to their readers, free at point of use.
2. The interests of publishers and booksellers must be protected by building in frictions that set 21st-century versions of the limits to supply which are inherent in the physical loans market (and where possible, opportunities for purchase should be encouraged). These frictions include the lending of each digital copy to one reader at a time, that digital books could be securely removed after lending and that digital books would deteriorate after a number of loans.
3. The exact nature of these frictions should evolve over time to accommodate changes in technology and the market (Government, 2013).

Furthermore, the British government supports the recommendation in regard that the flexibility should be maintained, further growth should be allowed as well as the innovation and future wider offer by public libraries to their users. In March 2014, in UK, The Publishers Association (PA) and the Society of Chief Librarians (SCL) announced the launch of one-year pilot project in which four public libraries will participate -Vivacity Peterborough, Newcastle City Council, Royal Borough of Windsor and Maidenhead, and Derbyshire County Council. Library customers will be able to access a list of over 1000 titles which are not currently available in other libraries for e-lending, including new releases which will be phased in during the pilot year. Loan periods will be for either 7 day or 21 day periods. The value of the project is £40,000 (Public, 2014). The Australian Library and Information Association – ALIA in *E-lending Landscape Report 2014* has offered a new model regarding the e-book business which was prepared by Brussels-based Civic Agenda. Since 2011, similar interests for providing this kind of service have existed in Croatian public libraries. Academic libraries in Croatia are not



included in the bookstore business. Academic literature (monographs, anthologies) is not available on e-readers with electronic ink.

9 Implementation of e-books in the library holdings

"Digital content, unlike printed materials, is sold to libraries under a range of licensing terms." (Ebook Business, 2013). Today, many libraries in the USA have e-readers in their holdings. In North America and Western Europe, public libraries have developed online lending of e-books and have accepted the conditions of e-lending. Online publisher/retailer Amazon in partnership with the distributor Overdrive in USA, enables the lending of e-books for over 11.000 public libraries. This is possible only through Kindle devices. Previously Kindle e-books had to be purchased directly through Amazon. Libraries are able to select the content they wish to purchase from the generic Overdrive Catalogue. Here is an example of borrowing books in the United States on the Kindle reader: "users will browse web pages and choose a book for lending. Once users select the desired library book, on the library web site they can choose the menu "Send to Kindle" and the book will be delivered via the Amazon account to the device via Wi-Fi." (Kindle, 2012). Other online publishers/retailers like Apple iBook store, Sony ReaderStore, Epub Books, and Kobo do not operate in such a way i.e. across platforms and devices and catalogs. Also, they do not use an e-lending model which upholds the privacy of library users and the libraries do not determine their own acquisitions policy (Matrix, 2013).

According to IFLA (IFLA, 2012, p.1) the implementation problem is complex because:

- The structure and operations of the publishing and library sectors can differ substantially from country to country.
- In many countries digital library collections are underdeveloped and consumers do not have access to eReaders, tablets and eBooks.
- There is a diverse range of eBook platforms and standards in the market which are often not compatible and, in the case of library applications, not user friendly or accessible.
- Different types of libraries have differing requirements for digital content, most notably academic/research libraries and public libraries.
- Scholarly and trade publishing have fundamentally different business models and take very different approaches for digital sales to libraries.
- The transition from print to digital is raising new legal issues for policymakers to address, especially in the area of copyright and its underlying principles which have enabled library lending in the print era.



- The same transition, and the potential for digital lending models to collect and store large amounts of information on users' reading habits, raises fears regarding the protection of user privacy.

Also, IFLA has adopted the principles which apply to all types of libraries that download/borrow e-books in six steps that can be found in the document *IFLA Principles for Library eLending* that has been brought to public from August 2013. Some public libraries began with the introduction of e-books in their catalogs, for example Public Library in New York, and the Douglas County Library. Also, the libraries that are responsible for initiatives related to e-book and its lending are the Douglas County Library, CALIFA Library Group and Colorado's Marmot Library Network that cooperate with each other. CALIFA's membership includes all types of libraries: academic, research, public, school, corporate, medical, law, and special and they can select which content to purchase from the online content platform managed by CALIFA itself. In 2013, CALIFA launched a new e-book lending platform Enki (CALIFA, 2014). The example of implementation of the Douglas County Library and CALIFA Library Group is the membership that also allows individual libraries to access e-book collections hosted by CALIFA themselves. CALIFA acts as a middleman between individual libraries and vendors/publishers. Loans are limited based on the number of e-book licenses purchased through CALIFA. In order for a vendor to sell content through CALIFA it must have a minimum 15% discount upon standard retail price. With the initiative acting as a general purchaser of content, library users do not have to share information with anyone other than the library they belong to. Interoperability across platforms and devices and catalogues are not available (Matrix, 2013). The Douglas County Library launched its own e-book lending platform and established its own IT infrastructure. Loans are limited based on the number of e-book licenses purchased by the Douglas County Library partnership. The Douglas County Library Initiative acts as a middleman between individual libraries and small publishers. The model operates on a one-user-one-copy basis, imitating the lending situation of physical books (E-voke, 2014).

In the market chain of libraries the most important distributors in the e-book market are Overdrive, 3M, Ingram (MYLIBRARY), Baker & Taylor (Axis 360), ebrary, Apabi, EBSCO. All ebrary subscription databases offer simultaneous, multi-user access and continue to grow throughout the term at no additional cost. According to Matrix (2013, p.6) e-lending through EBSCO will be able to take place for a period of 1, 7, 14 or 28 days. Overdrive supports e-lending devices and operating systems including Windows PC, MAC, iPad, iPod, Kindle, Sony, Reader, NOOK, Android, Blackberry and Windows Phone. The 3M Cloud Library utilizes Cloud technology to synchronize the reading experience. Users can use the 3M software installed within libraries to wirelessly send content to their devices, or can access the system from home. The 3M system is self-contained



and libraries control the interaction with users. Ingram (MYLIBRARY) services able to run Adobe Digital Editions (ADE) such as iPad, iPhone and iPod touch, Sony ereaders, Barnes & Noble Nook and PCs and laptops can be used to access content. Libraries can purchase e-books with a number of different variations attributed to them relating to the amount of permissible simultaneous user access. The different packages allow unlimited simultaneous user access, 3 person simultaneous access and 1 person per title. Baker & Taylor (Axis 360) platform integrates within a library's existing catalogue system. Library users can check out e-books on devices compatible with EPUB and PDF formats, such as NOOK, Sony Reader and Kobo devices. EBSCO users can read material through the online portal or can download content to their mobile devices. Mobile devices must be compatible with Adobe Digital.

Out of traditional six big ("Big Six") publishers in the world (RandomHouse, Macmillan, Simon & Schuster, Hachette Group, PenguinGroup, HarperCollins), for now, only Simon & Schuster does not allow libraries the access to digital content. None of the Big Six Publishers apply interoperability across platforms and devices and catalogues. Also, they do not apply e-lending which upholds the privacy of library users. The Table 2 explains Big Six publishers' management.



Table 2: *According to Matrix: Models of Accessing Digital Content (2013, p. 1-2)*

Benchmark	Negotiable access to all digital content (supports to e-lending or operates embargo model)	Libraries determine their own acquisitions policy	Enduring rights to content?
Hachette	Pilot e-lending program which makes Frontlist titles available to libraries	Pilot e-lending program offers full access to Hachette titles	Pilot program appears to confer enduring rights – yes there is uncertainty as to its duration
Random House	Currently offers access to all titles	Yes – libraries can select the titles they wish to purchase from Random House catalogues	Yes in theory
Penguin	Currently operating a pilot e-lending program which incorporates a six month embargo period for front list titles	Yes – New York Public Library and Brooklyn Public Library will have access to all of Penguins e-books on a yearly license. Titles will be made available for e-lending six months after publication.	No – participating libraries only own a license to loan e-books for a period of one year only
Macmillan	Currently operating a free e-lending program trial enabling libraries to access all e-books free for a period of one year.	Patrons can access all of Macmillan's e-books for the duration of the trial period.	In order to gain permanent rights to the content within the Palgrave Connect system libraries will have to purchase access to the system itself
Harper Collins	Operates an e-lending program which includes front list titles.	Libraries can select the content they wish to purchase from Harper Collins.	This Harper Collins e-lending service effectively ensures that libraries never own a copy of an e-book but simply a license which allows for 26 loans before it needs renewal.



Licensing restrictions (simultaneous users, limited of loans, license, duration, must be presented in library)	Pricing structure
Pilot program places no limit on the amount of borrowing activity per e-book copy	<p>October 2012 saw an average e-book price increase of 220%</p> <p>Currently in the process of identifying the appropriate price at which to sell e-books to distributors and libraries</p>
No restriction	<p>March 2012 saw an average e-book price increase of 300%</p> <p>Currently in the process of identifying the appropriate price at which to e-books libraries</p>
Yes – the Penguin license expires after one year. Continuation of Penguin e-lending will depend on whether the company deems this pilot a success	<p>Under the terms of the pilot libraries will pay retail-level prices once a year to keep any given book available for e-lending, regardless of how many times that e-book is borrowed by patrons</p>
The trial period allows for multiple concurrent accesses to an e-book.	<p>Under the terms of the trial Palgrave Connect is available free for one year. Libraries will be required to pay subscription fees to the service after their trial period has expired.</p>
<p>Yes – a 26 loan limit is in operation for each purchased book. Once this threshold is surpassed the library must pay to renew the license for the book in question (in operation since March 2011)</p>	<p>Charges libraries prices for e-books that are broadly similar to those faced by retail consumers.</p>



On the e-book market, also the Aggregators of free access to non-copyright restricted content are present. According to Matrix (2013, p.16-17) they are Digital Public Library of America (DPLA), Internet Archive/Open Library, HathiTrust, Google Books, and Apple iBooks. Digital Public Library of America (DPLA) and Internet Archive/Open Library have no restriction over copyright, and no license restriction. HathiTrust's Rights are dependent on the specific circumstances surrounding individual pieces of online content. Works classified as public domain have no usage restrictions; however, works still under copyright have restrictions on lending practices based on the quantity of print copies held. Google Books provides an online service for readers to access content which is classified as public, digital content and also provide a snippet view of works under copyright (About, 2014). As the number of e-book titles available and vendors supplying them to libraries increases, libraries should have the ability to negotiate different conditions for e-book titles whether they are bought individually or in aggregated collections. Since the lending of an e-book is not constrained by geographic distance, publishers have insisted that there are limits on how the library defines its users. It is now the norm in licenses for the public library lending of e-books to be limited to card holders who reside in the community, who are property or business owners in the community or students enrolled in an educational institution located in the community. For now, there is no single market model for scholarly and trade publishing. Academic libraries in USA at the Texas A & M University simply buy e-books on consumer market, load them on a Kindle and then lend them. Academic libraries have started to follow this example. However, some of these institutions operate in a low gray zone because the using conditions for some e-readers prohibit this kind of business/loaning (Temple, 2012). For school and research libraries the qualified card holders are usually defined as students, teachers and staff of the institution. For streamed e-books access may be negotiated for anyone who is present in the building. In the EU, public libraries can only offer e-books for e-lending, in which the publisher has given permission under his own terms.

10 Conclusion

In the 21st century, the goal of most publishers, manufacturers of e-readers, and e-books retailers is to encourage traditional book users to buy, borrow and read e-books. Retailers in North America have succeeded in this with the help of devices such as Kindle, Nook and Kobo. Sale of e-books is dominant when compared to the printed book. The task of the libraries is to promote e-books and make them available to users. Compared to Europe, U.S. libraries lead in this area. They faced obstacles imposed by distributors and have successfully addressed the lending models through various forms of DRM and copyright law in the United States. North America, for now,



leads in respect of ownership and copyright as it has developed market, infrastructure and greater purchasing power. In developed European countries, sales and demand on e-book market greatly relate to individual customers, as the users, such as libraries, are marginalized. Compared to developed European countries and North America, the e-book market in Croatia is almost non-existent. Today's opportunities in our country, particularly financial, are facing the sector of e-book with numerous challenges. It is presumed that the Croatian e-book market will experience its transformation in the next years when the clear strategies for all participants of the electronic publishing chain are set and national legislation is harmonized with the EU member states'. As long as the price of electronic book on the market is not equalized, legislation regarding the borrowing right and copyright regulated in each country, the infrastructure and cooperation with libraries provided, those in Europe who love printed books will not adjust to the reading from the screen. Until then, the money and capital market will stagnate.

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