

February 1999

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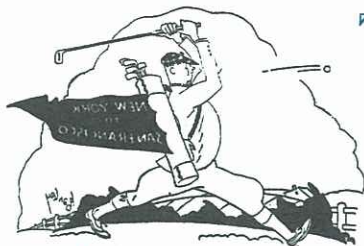
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Recommended Citation

Tonkery, Dan (1999) "The Subscription Agent's View of the World in 1998," *Against the Grain*: Vol. 11: Iss. 1, Article 12.

DOI: <https://doi.org/10.7771/2380-176X.3718>

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The subscription agent's view of the world in 1998

by Dan Tonkery (Dawson) <tonkery@faxon.com>

As we come to the close of 1998 and look forward to the not too distant year 2000, the journal world continues to survive but not without a continuing cry from the library management about the journal pricing crisis in science and technology. In fact many of the leaders in our profession are calling for the end or at least significant substitution of the print publication for the e-journal. This substitution would enable librarians to continue to acquire critical literature at a lower cost, but there is little evidence to show that publishers are going to embrace a new pricing model that reduces the overall revenue from journal publishing.

Contributing to the increasing cost of STM journals in 1998 and beyond is the continuing merger activity in the publishing community with an ever decreasing number of publishers supplying the critical publications that the community needs for research and teaching. Mergers are an active part of the pricing crisis as each merger has to be paid for and the sales prices for many 1998 transactions was well into hundreds of millions which the users will have to absorb in the coming years.

As a practicing subscription agent and true middleman in the distribution chain, 1998 has provided us with more e-journals for sale and it is clear that the conversion from the print world to the electronic world is moving faster than many would predict. However, the pricing models at this time are still tied to the print subscription. If an institution wants to subscribe to the electronic version, the price is usually based on the cost of the print plus a fixed percentage. We have in our database over 4,000 e-journals that can be purchased with over 95% of these titles tied to the print subscription.

While there is interest in different models such as pay per view, there is little evidence that the volume of traffic in most journals will support the pay per view model. Publishers that are experimenting with this model are publishers that have strong established bases in print subscriptions as part of the membership fee and have little at risk. Commercial publishers that are used to receiving all of the annual subscription revenue up front and before the end of December are less likely to give pay per view serious consideration.

The year 1998 was as much a year of experimentation as anything else. There are few publishers that have an absolute vision of the

future and many have been willing to experiment with different models and out of this process has come a new force in the market. The rise of the consortium and its power as a middleman in negotiating e-journal contracts cannot be ignored. All of the subscription agents are watching this new buying agent with great concern as the large contracts that have been written have pulled large numbers of STM titles from the agent and placed it with a new player, leaving the agent with the more difficult titles. The one time savings in bulk buying will be offset by the agents reviewing the pricing on the remaining titles.

There are some in our industry that predict that we are facing a revolution in the way articles are published, reviewed, and distributed. There is the opportunity for non-profit publishers to take advantage of the Internet and all of the new tools and set up an alternative publishing system that would be much lower in cost. While I see some evidence of this trend coming from a very few academic institutions with enlightened provosts or deans, the faculty still has the absolute power. Faculty wants to be published in high quality, peer reviewed journals and few are willing to change the present system and jeopardize their careers with a new model. Faculty is looking for

tenure and the tenure system is not under attack but still holds a iron clad grip on non-tenured faculty.

If anything, we will see an evolution in the publishing process over a

number of years and a radical shift to a new model is not likely. However, the growth of the Internet is not to be overlooked. We have reached a near mania in the stock market with the market capitalization of a number of the Internet companies. The public and serious investors are expecting the Internet to do amazing things and have run up the stock prices to unheard of levels. Consider the end of year price of **America Online** at \$157 per share, **Yahoo** at \$286, and **Amazon.com** at \$332 per share. Those share prices place these companies at values beyond belief. Take for example **Yahoo** with a \$26.6 billion capitalization. The value of **Yahoo** is worth more than all of the publishers in the STM field combined with the possible exception of **Elsevier**.


Amazon.com's value at the end of the end

was \$17.5 billion. Again, the value of this one Internet book supplier is worth more than all of the library supply companies for both books and journals in the world.

My point is that the investment community is expecting these Internet companies to revolutionize the way organizations work and receive information and have placed a high value on this radical shift in workflow. If the investment community is correct, it could mean that all of the middleman roles are obsolete including the traditional library.

Already the Internet mania has hit the campus and many university administrators are looking for cost savings in the library and some are even questioning the need to have a central library. As everything is in electronic form (many believe) and for the most part self-service for desktop delivery, why maintain the investment in a permanent structure with highly trained staff? The library community, which has organized and managed the bibliographic resources for each campus, is now finding that the **Yahoo**'s of this world are beating us at our own game. If we are not careful, the set of professional skills that we have developed will be transferred over to a new breed of electronic reference service and our traditional roles in public service will have been given to the Internet electronic librarian of the future.

In technical services this shift is already underway with the serious decline in the number of technical services staff working in acquisitions, serials, and cataloging areas of the library. Many of the professional positions have been merged into doing three different jobs, and as vacancies occur, the new hire is often not a professional librarian, or a senior level job is replaced with an entry level. All of this shifting has impacted the quality of the bibliographic structure at the local library and makes delivery service more difficult.

As we close 1998, the year has been one of challenges and of opportunities and certainly Internet mania. Much of the Internet growth will continue in 1999 and beyond. As librarians we will have an active role to play in the information future of our campuses, but that role is not guaranteed. We must take every opportunity to demonstrate our skills and to prove that our profession has the discipline and training to make the Internet a much more valuable service. If we are not successful, then a new breed will reinvent our profession and we will miss at once in a millennium opportunity. 

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