# Against the Grain

November 2011

# Moving Forward with Electronic Content Procurement

Emilie Delquie
*Publishers Communication Group*, edelquie@pcgplus.com

Cory Tucker
*University of Nevada, Las Vegas*, cory.tucker@unlv.edu

Follow this and additional works at: https://docs.lib.purdue.edu/atg

Part of the Library and Information Science Commons

## Recommended Citation

# Moving Forward with Electronic Content Procurement

by **Emilie Delquie**  (Publishers Communication Group)  <edelquie@pcgplus.com>

by **Cory Tucker**  (University of Nevada, Las Vegas)  <cory.tucker@unlv.edu>

## Introduction

Over the last several years, libraries have experienced a myriad of changes that have affected the marketplace and changed the way they purchase electronic resources.  With the move from print to electronic, the variety of options available to purchase library materials has increased.  Acquisitions in libraries have further been complicated by decreasing budgets, fewer staff, new technology, and user behavior.  The issues related to electronic content purchasing will be discussed in this article, including an overview of how academic libraries currently purchase materials, a review of issues facing libraries, and a summary of new business models being introduced in the marketplace.  For the purpose of this article, we will be referring to electronic resources including journals, books, reference works, abstracting and index databases, and all electronic content in general.

## Overview of Methods of Acquiring Electronic Resources

### Purchasing Electronic Resources via a Subscription Agent

The most currently used method at this time is to consolidate all the desired journals or books into one order placed with a subscription agency or a jobber that then liaises with each publisher individually.  In this scenario, the library has one single point of contact with their agent for all issues related to invoicing, pricing inquiry, renewals and cancellations, claiming missing content, restoring online access, etc.

This set up has numerous advantages for libraries of all sizes, because it saves crucial staff time, but it can also at times lengthen the process by adding a layer in the communication between the libraries and the content providers.  This model has proven to be particularly effective when dealing with journal subscriptions (print then later electronic) but the same transition in the book world has not yet fully happened as effectively, as some book jobbers struggle to revise their workflows in order to insert themselves in the eBook acquisition process.

### Purchasing Electronic Resources Directly from Publishers

One method for purchasing electronic content is directly from the publisher that produces the material.  Publishers have been selling their own materials for decades, and because of this experience they have the acquisitions side of the business down to a science.  This includes invoicing, fulfillment, etc.  Customer service, which is an  essential issue in electronic resource procurement, can be both good and bad.  The quality of the customer service may depend upon the size of the publisher.

Due to the fact that publishers create the content, they determine the access and rights to the material.  Publishers also set the price, which may or may not be negotiable.  When purchasing electronic materials, having a direct line of contact with the publisher improves communication and may lead to quicker negotiations.  As with price, the publisher creates the license agreements.  When licenses are reviewed by a library, having a direct line of communication with the publisher should result in quicker agreement on the terms and conditions of the license.  Publishers, in most cases, have very stable interfaces for delivering their material, so there may be improved access and discoverability of material.

Depending on the size of the library, dealing directly with publishers may or may not be advantageous.  With regards to pricing, individual libraries and smaller libraries purchasing on their own may have little leverage for negotiations on pricing, compared with consortia.  In regards to staff time and efficiency, dealing directly with publishers may not be the best method.  Libraries purchase materials from hundreds of vendors, and libraries may not have enough staff or time to deal with too many vendors.

### Purchasing Electronic Resources Via An Aggregator

A third option for a library is to purchase electronic content from an aggregator.  Aggregators are not the producers of the content however, but they do choose the content which to sell.  Due to the fact that aggregators do not produce the content, they have little, if any, impact on the price.  Because aggregators are providing a service to libraries, there are usually handling charges or service fees tied to transactions.  The additional costs are not typically large, but a library will need to decide if staff time is better spent on other duties, thus using an aggregator, or if there are cost savings dealing directly with a publisher.  Another impact of not producing content is the fact that aggregators may offer resources that have embargos imposed by publishers.  Since aggregators sell content from publishers, they do provide value to smaller publishers who otherwise would have a difficult time selling content to libraries.  It is a good strategy for publishers to work with aggregators to increase awareness of their materials to audiences they could not otherwise reach.

Aggregators have spent funds and time on building their platforms to deliver the content.  Compared with smaller publishers, aggregators may have better usability and innovation in their platforms.  The interfaces offer technological functionalities that are preferred by users and are easy starting points for students, thus offering improved discovery and access.

Perhaps the most important aspect of deciding to use an aggregator is customer service.  The quality of customer service may be good or bad, depending on the aggregator.  If service fees are being charged, libraries should expect that the customer service and handling of the acquisitions process is conducted efficiently and effectively.

### Purchasing Electronic Resources Individually or Via Consortia

Typically, a library has two options when purchasing electronic resources:  individually or through library consortia.  When purchasing materials alone, libraries have more flexibility with the purchase and can acquire items that directly match up with curricular and research needs of patrons.  However, in most cases, libraries experience larger discounts when purchasing electronic resources together and have more buying power in larger groups.  Consortial purchasing of electronic resources has experienced a high level of success with journals, although the "Big Deal" is being re-evaluated in some instances.

In the next few years, the biggest challenge for consortial purchasing of electronic resources is the eBook.  The first challenge for consortial purchasing of eBooks is the publishing industry.  Publishers are reticent to allow shared access to eBooks because financially, it is not in their best interest to allow shared access to one electronic book.  To combat this problem, publishers have instituted a large price differential, where electronic books are more expensive than their print counterparts (especially with a multiple-user license) and in deals with consortia, publishers require purchases of multiple copies of books.

A second challenge is that consortia purchasing in and of itself has some complications.  The group of libraries may not agree on the electronic book platform, and the individual libraries may have different needs or focus on different disciplines.  Consortia might have difficulty in agreeing upon which books or subject collections to purchase and which type of access (multiple-user or single-user) to purchase.  In speaking with several colleagues about eBook purchases through consortia, the common theme is that consortia have not seen the "robust" deals and discounts they would like, and eBooks don't have the same discounts compared with journal deals.  As budgets decrease, libraries will increase their cooperative collection efforts and consortia may want to set-up an eBook approval plan for the group of libraries.

## Challenges Faced by Libraries — The Driving Factors for Electronic Content Procurement

Currently, there are a variety of factors that influence the purchasing of electronic content:

### Library Budgets

In the last few years, changes to the world, national, and state economies have had a domino effect on the budgets of libraries in the

United States and around the world. The majority of libraries have faced decreased budgets, which have resulted in cuts to collections. Cuts in the collection have usually focused on subscriptions, which make up the majority of academic library collections budgets and decreases in purchasing monographs. According to **Bosch**, the 2009 CIBER survey reported that 34% of libraries have seen their budgets reduced by at least 5%. In addition, 72% of the libraries surveyed expected that in the next two years their budgets would at best remain flat, if not decreased.

The cuts in library budgets have also had an impact on library staff. Due to budget cuts, libraries have had to cut staff, either through layoffs or losing open positions. Either way, libraries are having to do more work with less staff, and this impacts how they acquire materials and make materials available to library users. The loss of staff has also resulted in libraries evaluating the job duties of librarians and support staff.

### Business Models

Due to the evolution from print to electronic, library vendors have introduced a variety of business models to sell materials and resources to libraries, as we will explore later in this article. These business models have been adapted over the last few years and more options are being presented to libraries. Whatever the models proposed by vendors, libraries and the way they purchase electronic content will be significantly impacted. The loss of library staff will also have an impact on the business model ultimately chosen by a library.

As an increasing variety of business models is offered, libraries are also faced with decisions to make about which content to own in perpetuity and which can be rented for the very short-term, leased until a subscription is cancelled or a title is removed from a platform or simply accessed for now.

### Philosophy of Collecting Materials

The cuts to collections have caused an evolution in the philosophy of collecting information. In past years, libraries have concentrated on collecting and owning materials. However, the financial environment has caused libraries to "rethink" how they collect. Libraries cannot afford to collect resources "just-in-case." Financial constraints have resulted in a shift to consideration of a "just-in-time" collection philosophy, where libraries want short-term access to information, may increase funding for document delivery services, or consider adding pay-per-view services for library users.

### Network Level Discovery and Access

With the move to electronic format, libraries have had to adapt services and increased the implementation of technology to offer improved tools to help users find information and have the ability to access the information they need. The introduction of **Google**, **iTunes**, and other services has had a significant impact on how library users search and locate information and has influenced how users expect to access and use information.

### Increasing focus on ROI

As budgets decrease, libraries increasingly have to prove the value of their acquisition decisions to their administrations. Libraries will find it necessary to carefully collect usage statistics for all of their resources and make calculations for cost-per-use, cost-per-full-text view, etc. Usage data analysis may be requested by University Administrators, and libraries will need to be prepared to provide this data. For example, at the **University of Nevada, Las Vegas**, the University President requests usage statistics biannually. As a result, greater scrutiny is placed on every resource currently owned as well as any resource being considered for potential purchase.

### New Business Models for Electronic Content

In today's marketplace, vendors and publishers are using a wide-range of business models to sell their products. The business models will no doubt continue to evolve as the market adapts to issues with library budgets, the financial crisis, user demands, and new technologies.

### Pay-Per-View

The pay-per-view model is not new to the library marketplace but is still being considered following some of the major budget cuts certain institutions had to face. In the past, journal articles have been accessed using this model. In some cases, the pay-per-view model is cheaper than maintaining an annual subscription to a publication. However, the final expense depends on each individual library and on usage and ILL cost. The pay-per-view model is also just-in-time and end-user-driven.

It works particularly well for smaller institutions or corporations that may not be as driven by building a collection of knowledge in the long term but that may simply need access to content straight away without being in a position to wait for an ILL request to be processed. The price of the articles has varied quite a bit over the years by publisher or platform, but PPV spending can also act as a good criterion to determine whether a subscription for a specific title would be necessary.

### Patron-Driven Acquisitions (PDA)

PDA is a more recent model where electronic book (and print books too!!!) purchases are initiated by library patrons. In most cases, libraries set up a profile of subjects, publishers, price, and other criteria with a publisher or vendor and load MARC records into the online catalog. Patrons locate records during searches and have access to the eBook. After a specified number of uses, which may relate to a certain amount of views, pages printed, number of uses, etc, the book is purchased and the library owns it (DRM will vary). The PDA model has been very well-adopted by individual libraries and attempted by consortia, Orbis-Cascade Alliance, for example.

This is a "just-in-time" method that is end-user-driven. This is typically conducted through book and third party vendors. Although the PDA model has been useful with eBooks, many question whether this model can be useful with journal articles as well. Depending on the cost of a journal subscription, PDA may be extremely cost-effective for libraries. Many questions still remain about the basic logistics of such practice. For example, is it possible for a library to load in articles to an online catalog or discovery service and have the user initiate the purchase? Would it be more plausible to offer PDA access directly from a publisher's Website?

In the past, libraries have used pay-per-view model where they have been charged for access to an article. However, will publishers allow libraries to "buy" an article out of a journal issue and own the rights to it? Obviously, with an electronic book, a library is purchasing a complete work. For article level purchasing, libraries are purchasing a portion of the journal issue. If a business model can be designed to accommodate this, another practical question is whether a publisher can provide usage statistics at an article level or how would a library assess the effectiveness of the PDA for journal model? Finally and following the above logic, is this model possible for purchasing book chapters, rather than the entire book itself?

It is important to point out that a PDA model for journals or chapters may not be cost-effective for every library. Basically, it boils down to cost. A library may not be able to afford a subscription or want to subscribe to a journal that is not used or rarely used. Is it then more cost-effective to use ILL or a PDA model than subscribe to a journal? For example, if a library has a "X" amount of ILL requests for a journal, it might be more cost-effective to subscribe to the journal. The journal PDA model will be challenging and may be difficult for publishers to price right. The technology should be available for a journal PDA model to be implemented, but the model puts in question the whole journal content structure (article = chapter = video = content?).

### Leasing

Leasing is a non-ownership model that allows libraries to provide short-term access to materials. The model is based on libraries paying a small fee for users to access specific content. An example is a library patron can access an article or electronic book for "X" amount of time (twenty-four hours) and the library pays "$X" amount for this temporary access. The leasing model allows libraries to offer patrons access to an increased amount of content, without having to pay full price. This model, however, also implies no long-term ownership of content and is not necessarily an attractive one for larger institutions where content might end up being paid for more than once.
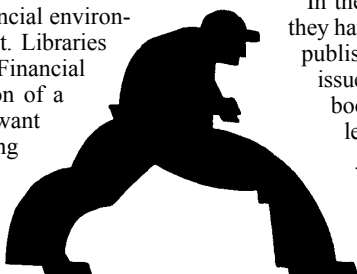
### Collection vs. Pick & Choose

Or is the end of the Big Deal near? With so many pressures facing libraries and their close monitoring of usage statistics, does it still make sense to subscribe to large collections? Keeping in mind that usage statistics themselves can be biased and not a fair representation in certain more advanced research fields, libraries still have to look closely at the pre-set packages offered by publishers and wonder whose interest they serve the most. Moving forward, there is a clear economical advantage for letting libraries tailor their own collection and simply offer a discount based on the number of titles a library really needs.

### Open Access

While not a new model, PlosOne recent article numbers and Impact Factor are certainly helping keep the conversations very active around the Open Access model. Most large publishers are currently experimenting with a few titles of their own, either fully OA or hybrid. The model is obviously very advantageous to libraries since everything is free to them and their patrons — until the cost of sponsoring authors comes back to the institution or library itself.

Another burning question with this model revolves around the quality of the research being published. At such rate of growth, how can this much research be properly peer-reviewed while still maintaining the same standards of quality originally enforced by traditional publishing models? Can librarians then safely add all those journals to their catalog and recommend them to their patrons? Given its growth over the last decade, this model is clearly here to stay, but is likely to continue to challenge traditional publishing standards.

### Usage-based Pricing

With all the usage data now available, publishers are starting to experiment with a usage-based model. For example, a publisher may grant a library access to a set number of journal titles or books for a year; then at the end of the year, librarians and publishers review how often each journal or book is used within the collection, and librarians have the opportunity to swap titles if they wish to do so.

For example, **Wiley-Blackwell** has introduced a "Flexi-Subscription Option," for their online books collection, which allows libraries to pay an annual flat fee (based on the size of their institution) for three consecutive years, after which libraries can add, delete, or swap any of the subscribed titles at renewal.

Another example is **Elsevier's** "Evidence-based Ebooks Selection." This option gives libraries access to a wide range of books on ScienceDirect for 12 months "for a minimal, up-front fee determined by a percentage of the total value of content" librarians choose (*http://www.info.sciverse.com/sciencedirect/subscriptions/evidence-based-selection*). At the end of the 12-month period, librarians review the usage statistics and "decide which titles to purchase and keep in perpetuity, priced up to the value of the initial content investment and based upon evidence-based usage of the full range of content."

Another possible model, which has yet to be explored, would be an extension of the existing tier pricing models, which would basically give publishers and libraries the opportunity to negotiate their subscription rate based on the expected usage of a resources — which would in turn be based on past usage data.

### Outright Purchase vs. Subscription

These business models are particularly relevant with the recent take up of eBooks. When does it make sense for a library to subscribe to a large collection of content, and when is it more advantageous to guarantee perpetual ownership of a set group of books? When e-journals became popular, librarians placed a strong emphasis on post-cancellation terms in order to retain ownership of the years for which they paid. However, fifteen years later, the perceptions (or the players or the economical context) have shifted somewhat, allowing more room for short-term ownership models. It will be interesting to see how these perceptions continue to shift. In general, smaller institutions facing stronger budgetary pressure can be expected to shift more and more towards the "just-in-time" philosophy.

At the same time, many publishers are now introducing the options to buy their journals or proceedings archives for a set discounted price. These one-time purchase deals have become quite advantageous and have provided libraries with the opportunity to free up valuable shelf space, all the while guaranteeing long-term access to larger collections they wouldn't otherwise have.

### Scholarly iTunes

The concept of **iTunes** was recently applied to scholarly publishing by a company named **DeepDyve** in order to offer researchers quick and inexpensive access to research they need just for easy reference. **DeepDyve** has partnered with many **STM** and scholarly research publishers in order to make their content discoverable to non-institutional users. **DeepDyve's** online research rental service allows users to "read-only" full-text articles from $0.99 from thousands of journals. Many publishers, including **Springer**, **Nature Publishing Group**, and **Wiley-Blackwell** have joined this initiative. While this model is not intended to serve the needs of an academic library, it certainly offers new interesting opportunities for publishers and researchers alike.

### "The Little Deal"

This new experimentation comes from the **California State University** system, which was in dire need of finding new ways to save money. After identifying that their ILL costs were unnecessarily high, they decided to partner with **Copyright Clearance Center** in order to pilot a "Get it Now" model. According to **Marvin Pollard**, Manager of System-wide Digital Library Services, Chancellor's Office, **California State University**, the idea is to provide "a quick, cost-effective article delivery service which has been garnering praise from both patrons and ILL librarians alike."

Patrons within the **CSU** system can basically receive an electronic copy of any article included in this deal with **CCC**, for a pre-negotiated rate, within 24 hours of submitting a request, assuming that their library does not indeed already own a copy. The libraries are responsible for ensuring that enough authentication checks are in place and that no abuse takes place, and the **CSU** system takes care of the negotiation with **CCC** on their behalf. Each transaction is then attributed back to each library that choses to participate. The **CCC** is in turn responsible for negotiating their terms with the publishers.

The **CSU** pilot was very successful with both patrons and staff. Publishers are coming onboard as they realize that it does offer an opportunity for a new revenue stream. Finally, this "Get it Now" option also provides both libraries and publishers additional usage data on what patrons read and helps identify potential titles to add to their collection, instead of repeatedly paying an article fee.

### Future of Electronic Content

Libraries and the methods they use to purchase electronic resources will be impacted by the models provided by vendors and publishers. However, purchasing electronic content in the future will also be influenced by other factors:

- Library Budgets — Budgets will probably continue to be flat or decreased. This changes the way we think about what we buy and how we buy it. Ownership? Subscription-based? Lease? Why would we pay millions of dollars for items we are not using?

- Collection Philosophy — The libraries will have to decide if they continue the tradition of collecting information or move to "hooking" users up with information. Will the collection philosophy be just-in-time or just-in-case? At this point, libraries can no longer afford to collect materials just in case. The just-in-time model is the only way to work within financial constraints.

- User behavior — Where library patrons go to search information and how they obtain and use the information will continue to change and impact libraries.

- Scholarly Record — if libraries gradually move to a non-ownership model for collecting electronic resources, one significant impact will be related to archiving and preserving information. Who will have the responsibility to maintain the scholarly record? Libraries? Consortia? With decreasing budgets, libraries will have to share the cost for this.

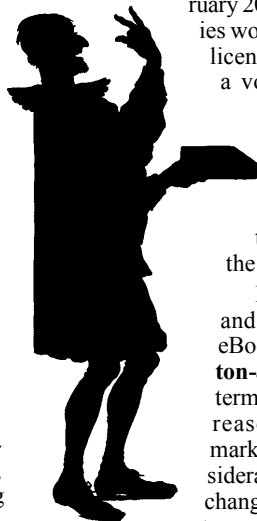# eBooks: Access, Technology, & Licensing

by **Lisa Carlucci Thomas**  (Director, Design Think Do)  <lisa.c.thomas@gmail.com>

## Introduction

In fewer than five years, since the release of the **Amazon Kindle** and **Apple iPhone**, the popularity and adoption of eBooks and e-reading devices has soared. **Amazon's** first-generation **Kindle** offered immediate access to over 90,000 eBooks in the **Amazon** store, immediate wireless delivery to any **Amazon** customer, and all in a lightweight, portable, e-ink-equipped device. The **Kindle** caught on quickly; it was backed by the reliable **Amazon** brand, and it captured the interest of mainstream readers by including many current bestsellers among its offerings. Likewise, the **Apple iPhone** was a technological and culture-changing marvel. The **iPhone** extended the device functionality of the increasingly ubiquitous mobile phone to include a pocket-sized suite of computing options, and presented new opportunities for e-reading via mobile applications and the Safari Internet browser.

Currently, **Pew Internet Research** reports that "the share of adults in the United States who own an eBook reader has reached double digits" for the first time since their research on the subject began. More astounding is the growth factor: e-reader adoption reached 12% in May 2011, up from 6% in November 2010. In just half a year, twice as many people owned e-readers (**Purcell** 2011). **Pew's** research also indicates that mobile phones hold a strong lead in the device market, with cell phones of all types at 83% adoption. The percentage of smartphones among this figure isn't noted. However, it is clear that overall ownership of e-reading capable devices, from dedicated e-readers to smartphones, is growing rapidly and driving eBook market momentum.

### Works Cited

**Bosch, Stephen**. Is Selection Dead? The Rise of Collection Management and the Twilight of Selection. ALCTS-CMDS Presentation. American Library Association MidWinter Meeting, San Diego California. January 9, 2011

**Pollard, Marvin**. Five Minutes vs. Five Days: How Important is This to Your Patrons? Sixth annual SCELC Colloquium Presentation, **Loyola Marymount University**. March 2, 2011. 🐟

## Access

In 2009, my study on mobile access to eBooks at the **Yale University** Library was the first of its kind to examine access to library-licensed eBooks via mobile devices and e-readers. The results of the study highlighted the complications of file and device compatibility, and ultimately identified the **Apple iPhone** as the leading eBook access device compared to three other devices, including the **Amazon Kindle** (**Thomas** 2009). Since 2009, much has changed: mobile applications for e-reading have proliferated, new devices like the **Nook** and the **Kobo** hit the scene, tablets such as the **Apple iPad** have become popular, and both the **iPhone** and the **Kindle** released next generation devices with expanded functionality. Yet, the matter of access remains paramount and significantly unresolved, as publishers, vendors, and libraries struggle to decide how best to deliver eBooks to an eager community of readers, while ensuring the rights and profits of stakeholders are adequately maintained.

When **HarperCollins** announced in February 2011 that eBooks purchased by libraries would be limited to 26 circulations per license, they immediately encountered a vociferous negative response from librarians. Many were outraged that **HarperCollins** would unilaterally make such a decision, especially at a time when libraries are already weathering the conflict of reduced budgets and the hefty costs of e-resources.

Librarians **Sarah Houghton-Jan** and **Andy Woodworth** drafted "The eBook User's Bill of Rights," (**Houghton-Jan** 2011), which outlines primary terms of use that eBook readers should reasonably expect in this evolving market. Of particular note are the consideration of the long-term impact of the changes taking place now and the appeal to readers and book industry partners to promote constructive policies: "I am concerned about the future of access to literature and information in eBooks. I ask readers, authors, publishers, retailers, librarians, software developers, and device manufacturers to support these eBook users' rights" (*http://librarianinblack.net/librarianinblack/2011/02/ebookrights.html*). Indeed, policy decisions being made now, in the nascent age of mainstream eBooks, must be developed with extra care and creativity, rather than reaction and anxiety. The technological and cultural convergence taking place predicates an uncertain future for books, libraries, and readers. A clear articulation of the values and rights extended to readers, parallel in form to those in the print environment, is imperative when evaluating and negotiating new eBook licenses; as such, licenses will continue to evolve in conjunction with the advancing electronic environment.

Additional responses to the **HarperCollins** eBook circulation limit included a boycott of **HarperCollins** products until the circulation cap is reversed (*http://boycottharpercollins.com*), critical reaction from the blogging community, such as **Bobbi Newman** (**Newman** 2011), **Jason Griffey** (**Griffey** 2011), **Eric Hellman** (**Hellman** March 11, 2011) and more, and the creation of the *http://readersbillofrights.info* Website by librarian **Alycia Sellie** and **Matthew Goins**, advocating "Librarians Against DRM."

Advocacy against digital rights management software (DRM), circulation caps, lending limitations, and restrictive policies ensures that information about how these rules will affect libraries' eBook collections is being delivered. This is especially important at a time when so much is changing so very rapidly. It can be difficult for even the most knowledgeable information professional to monitor and assess the newest changes day-by-day, let alone craft an informed, evaluative statement to post on a blog or publish in an article.

As it is, librarians have their hands full navigating through myriad, confusing, and sometimes contradictory licensing agreements for eBooks and e-content. Putting aside issues of cost and budget, as well as the related decisions about what to keep in what format and how to archive it all, purchasing eBooks is anything but straightforward. Furthermore, there is insufficient training available on how to manage the eBook decision points and how to routinely assess these collections over time.

Considerations range among the following: Do the eBook terms provide for single- or multiple-use access? How will one determine what should be subscribed to in an aggregated collection or what individual titles are firmly needed? Should short-term access or long-term, perpetual access be obtained? How many people will likely use it? After all, unless it is needed for a class, or expected to be a bestseller, a library may not need several "copies" available at once. Should patron interest shape the eBook collection, as with patron-driven acquisitions arrangements, or should librarians continue to curate the collection exclusively? Once eBooks have been purchased, will the library also purchase devices to circulate? What lending is permitted by the terms of use for the devices? Who will teach the users to load library eBooks on to their devices? Who will teach the librarians?

## Technology

Libraries have been challenged to retrofit policies and practices in order to meet the emerging demands of the eBook environment. Librarians working with eBooks must swiftly master new skills and invest time in reworking processing workflows to find efficiencies and create learning tools for patrons and library staff. Often, this simply cannot be done with