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Serials Pricing Update

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The following piece came over the Newsletter on Serials Pricing Issues (September 5, 1991) just as we were going to press and we decided to stop everything and include it since it's so different from what all we've been hearing about serials prices.

Now that the 1992 price lists are being received from the publishers we are issuing a revision of the first prediction we prepared early in April as prices have gone up somewhat more than we had expected. From the range of estimates you have received from the various subscription agents, I'm sure you can see that the predicting of price increases is a very inexact science... or possibly even an art. There are so many variables to take into account but, in the end, it depends on the individual decision made by each publisher.

[The following is from a letter from Heather to Blackwell customers, dated August 30, 1991]

When we prepared our 1992 pricing prediction in early April, the world's political and economic future, after the Gulf War, was uncertain. As we recognized the need to produce an early estimate of price increases to assist you with budgeting and serials reviews, however, we put together figures based on the information that was available at the time and on educated guesses from a number of sources. We estimated that British journal prices would go up by 10 percent, continental European journal prices by 7-8 percent, and US journal prices by 8.5-9.5 percent. As these estimates were based on pricing in local currencies, we warned that changes in the strength of the dollar against these currencies should be taken into consideration.

Since then, world events have changed far beyond anything that could have been imagined then. These political changes have affected the economies of all countries, causing great volatility in the money markets.

The subscription renewal season has now arrived. Publishers are being required to set their journal prices for 1992 in a world that is much more unpredictable than it appeared to be last Summer. Although not all prices have been received, we are beginning to see a trend towards pricing that is somewhat higher than we had originally predicted. We are, therefore, revising our original estimate as promised.

<table>
<thead>
<tr>
<th>1992 REVISED PRICE INCREASE PREDICTION (in US $ terms)</th>
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<tbody>
<tr>
<td>British Publisher Prices: 13 - 17 percent</td>
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<tr>
<td>European Publisher Prices: zero (We expect a 10 percent</td>
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<tr>
<td>price increase in local currencies which should be</td>
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<td>offset by the increased strength of the US dollar)</td>
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<tr>
<td>US Publisher Prices: 10 - 14 percent</td>
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<td>Overall Expected Increase: 9.5 - 11.5 percent</td>
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As this revision is based on the price lists that we have now received, it is still subject to change as more price lists come in. Also, if the US dollar weakens or strengthens further against European currencies, the European publisher price prediction should be adjusted accordingly.

Our pricing prediction is based on the lists received from a number of major publishers. They include:

- Great Britain and Eire
  - Butterworth-Heinemann Ltd. 14.0 percent
  - Commonwealth Agricultural Bureau Intl. 15.0
  - Elsevier - Ireland 13.0
  - Oxford University Press 14.0
  - Pergamon Press PLC 19.0
  - Taylor and Francis Ltd. 11.5
  - John Wiley and Sons Ltd. 17.5

- Continental Europe (in local currencies)
  - Elsevier Sequoia S.A. 13.0 percent (SFr)
  - S. Karger AG 8.0 percent (SFr)
  - Kluwer Academic Publishers 10.0 percent (DFI)
  - Springer Verlag 9.0 percent (DM)

Although we have not received their price list, we have been told that Elsevier North Holland Scientific Publications Ltd.'s prices will go up by 12 percent (in DFI). Seven percent of the increase is for increased pagination. Many of the publishers listed above have reported frequency increases in their publications (pagination, number of issues, etc.).

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Still from the NOSPI . . .

PERGAMON PRESS 1992 PRICES

Letter from Michael Boswood, Managing Director Pergamon Press, Headington Hill Hall, Oxford OX3 OBW, UK.

August 23, 1991

Dear Pergamon Customer,

As the new Managing Director of Pergamon Press, I am writing to you personally in order to inform you about the changes in Pergamon Press pricing policy following its acquisition by Elsevier N.V.

In the past, Pergamon priced its journals in different currencies for different geographical markets. For the 1991 subscription year this meant that prices in the USA were actually some 18 percent lower than in the rest of the world.

Starting with the 1992 subscription year, we are changing this policy and the vast majority of our journals will be priced definitively in sterling. Fortunately, the dollar has strengthened since last year and the impact of this change will be less than 18 percent for the program as a whole.

The pound/dollar exchange rate that we have agreed with agents is: L1 = $1.60

This rate will remain in effect until 31 December 1991.

If you have any questions about the above, please do not hesitate to contact Della Sar at Pergamon Press PLC, Oxford; direct telephone number (0865)743597 or Kim Cavellero at Pergamon Press, Inc., New York, direct telephone number (914)345-6435.

Hamaker's Haymakers—Comments on the above from Chuck Hamaker, LSU

Blackwell’s has done a tremendous service, alerting us before most libraries get price lists from these important British publishers, as to their plans for our budgets for 1992. What Blackwell’s is too polite to mention is the sheer outrage and betrayal that many of us feel at these actions by British publishers. The reason is simple and can best be explained by referring to Elsevier’s 1990 and 1991 rate setting letters that most of us received in our libraries. August 10, 1990, just as rates were being set last year, James Kels, Elsevier’s chairman, announced dollar equivalent rates for their customers for the 1991 renewal period. For the British pound, that rate was $1.85 per pound sterling. This year, the letter from Kels, who is obviously relieved because of the dollar’s strength, notes a rate of $1.65 equal to one pound sterling. This means that the dollar is 13 percent stronger than a year ago compared to the pound.

Looking at British publishers’ pricing IN DOLLARS, if absolutely nothing is done to the US dollar price, the publisher has a base increase of 13 percent immediately. But no, that is not sufficient, not enough! They want more. And how much more? If you increase your price to customers paying in US dollars by as little as 12 percent, you actually have 25 percent more than you did last year. If you increase the dollar price 15 percent, which is close to the average, return actually increases 28 percent. Although I do not have evidence of it yet, some British publishers will be tempted to engage in massive dual pricing. But even without that added insult, an increase that amounts to 26 percent to 30 percent, as in the Blackwell estimates, is an example of absolute disregard for the condition of libraries and access to information. Some of these publishers are in the wrong business; they are acting more like bankrobbers than gentlemen —

To add insult to injury, it appears several American publishers have pushed rate increases to levels almost as breathtaking. In a separate note, Blackwell’s called my attention to the American Chemical Society, the American Medical Association, IEEE, Lippincott, and the American Society of Civil Engineers. I have been able today to obtain only the ACS rate sheet, but analysis at LSU shows that it is about as bad as the British imperialism we are experiencing. At LSU we buy all but four of the American Chemical Society journals. Those titles cost us $8,058 last year, according to the 1991 rate sheet. If we buy those same titles in 1992, they will cost us 23 percent more than they did last year. Move over commercials — here come the associations? The cause is probably simple, but is an admission of massive failure of a system of publication and distribution. Although I do not know what the 1991 cancellation rate was for ACS journals, word throughout the industry has been that many societies have experienced a cancellation rate of as high as 8 percent, about double normal cancellation levels. It may only be coincidence, but my estimate is that ACS experienced an actual cost increase (salaries, utilities, the normal cost of living stuff) of about 5 percent. I suspect that they plan, as usual, to increase paper output by 6 percent, or more, and in addition they just tacked on about 8 percent, to account for cancellations.

Overall the ACS list for 1992 has increased on a separately purchased level of almost exactly 20 percent. If you buy all their titles on a newly announced “package” plan, there is a 15 percent discount. So if your library bought ALL titles last year and buys ALL of them this year, the cost increase is only 5 percent! About what “inflation” should actually produce, for LSU the kicker is that if we just buy what we bought last year, price will go up 23 percent. If we go ahead and “jump” to the infernal package our cost will go up 27 percent, but for the additional $319 we will get four more journals (only one of which we really want). So for us (again, we may be unique) they get us if we do and they get us if we don’t. I will be talking to faculty in chemistry about this.

Because the ACS figure worked out to exactly what Blackwell’s had indicated to me, I am pessimistic about what we will see in American price increases this year. It seems to me that American publishers have heard what we said but really don’t believe how drastically their actions are affecting basic availability of STM information. Foreign publishers may be forgiven for their pure delight in squeezing the American market. But the British publishers are showing how false they are. They want their windfall even bigger than what it was going to be and don’t care if the customer notices. Don’t they think we learned anything from 1984? Not only are they greedy, they act as if American librarians are stupid. ARE WE?

What do you say to your faculty colleagues when they ask about a title they ordered a few months ago and it still has not arrived?

“Well,” you reply, “we ordered it right away. Since it had been published recently, we expected it to arrive. Instead, it was reported ‘out of print’ or ‘out of stock indefinitely,’ I don’t recall which.”

OUT-OF-PRINT SEARCHES

Oliver’s Books

HELP IS AT HAND. Oliver’s Books specializes in finding such books, and have contacts in the book world built up over the past thirty years. I worked at Pickwick Book Store in Hollywood many years ago and for twenty years was the chief book selector for the academic approval plans of Richard Abel and his successor, B. H. Blackwell.

Older OP titles you need will also be sought, of course, and I will supply quotes before shipping or ship and bill according to your guidelines.

I’d be pleased to serve you. Do give me a try.

Oliver T. Sitea * 018 SW Alice Street * Portland, Oregon 97219 * USA * 503/245-6069

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