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Duke University Press Implements New Pricing Model for the e-Duke Scholarly Collection

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more is not one that I should prefer, if I’m a responsible professional.

If simplicity in pricing is something that we should all regard with a certain degree of skepticism, I would suggest that innovation in pricing is something we should regard with something closer to outright alarm.

But why? Don’t we librarians want publishers to be innovative in their pricing programs?

Short answer: No. Medium-length answer: Who cares? Long answer: We all seem to be conditioned to believe that innovation is necessarily a good thing, but in fact, it’s only a good thing to the degree that it represents improvement. Suppose, for example, that I were to adopt a management strategy that involves walking around hitting the members of my staff over the head at random moments with a rolled-up newspaper. It would certainly be innovative — but would it be an improvement over my current management strategy? (Actually, it might. Hmmm.) When it comes to pricing, what matters most is the ultimate price. The nature of the process or structure that leads to the price does matter somewhat — we’d prefer there to be some measure of fairness and rationality in the system — but what matters absolutely least of all is whether the system itself is innovative. My message to vendors and publishers is consistent: Don’t waste your energy trying to sell us on how new and exciting your pricing structure is. As far as we’re concerned, you might as well look around at your competitors, find an existing pricing model that fits well with your needs and ours, and steal it from them. Let someone else invent this particular wheel. We customers would prefer that you direct your energies to increasing your content and improving your interface.

So, am I saying that we librarians don’t want or expect simplicity and innovation from publishers and vendors? Not at all — simplicity and innovation can be very important. But innovation where it matters: in your search interfaces, your administrative modules, your usage statistics, your content. Those are also areas where more simplicity is almost always better. Pricing is not an area where simplicity and innovation should matter much to us.

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**Duke University Press Implements New Pricing Model for the e-Duke Scholarly Collection**

by Kimberly Steinle (Library Relations Manager, Duke University Press) <ksteinle@dukeupress.edu>

In 2005 Duke University Press launched an electronic journals package with 29 titles. The Press used interim pricing for that initial year, and in 2006 implemented new pricing based on the Project MUSE tiered model. In collaboration with its participating publishers, as well as with consultants October Ivins and Judy Luther, Project MUSE had developed a new approach to pricing based on Carnegie Classification and usage. Duke University Press decided to apply a version of the MUSE model to the 2006 release of the e-Duke Scholarly Collection, which went live on Stanford University Library’s HighWire Press in December 2005. The new approach has presented many challenges and uncovered new opportunities for wider dissemination of scholarly content in a financially viable way.

**About Duke University Press**

Publishing about 100 books annually and more than 30 journals, Duke has one of the twenty largest books programs and five largest journals programs among American university presses. Duke is a leading publisher in American studies, anthropology, cultural studies, gay and lesbian studies, Latin American studies, literary criticism and theory, and postcolonial studies. While known for taking chances with non-traditional and interdisciplinary publications, we also list such well-established journals as the Duke Mathematical Journal and the SPARC-endorsed Neuro-Oncology among our periodicals.

The decision to launch an electronic “bundle” of titles was one of many changes brought about by an overhaul of our journals program. This overhaul was made necessary by Duke’s transition from an essentially linear publishing model to a multidimensional electronic workflow. Besides deciding to offer an electronic package of titles, we expanded our strategic partnerships to include HighWire Press, Project Euclid, and SPARC; launched an STM acquisitions effort to compete with commercial publishers; implemented an online peer-review process for three journals; and developed two new positions: a library relations manager and a journals acquisitions editor.

**Why a Bundle of Journals?**

Duke felt that a collection of 29 of its social science and humanities journals would answer the increasingly diverse needs of the academic library community. In serials publishing there has been a swift rise in demand for sophisticated electronic access options. At the same time...
time, university presses and university libraries have faced similar financial pressures. At Duke alarming declines in print circulation and institutional subscription revenue led us to pull most of our titles from Project MUSE. While doing so was difficult — the timing was not ideal, and librarians regard Project MUSE highly — we felt that it was necessary for the long-term viability of the Press. Explaining the decision in a widely published “open letter to librarians” (dated August 19, 2004), Director Steve Cohn pointed out that if all of our journals stayed with Project MUSE and print sales continued to decline at a similar rate, the royalties we received could not sustain our publishing program.

After consulting with experts in the library community, we felt confident that because many of our journals are key in their fields, there would be continued demand for electronic access to them. We believed that the success of the electronic package depended on our finding an excellent host for it, so we began a partnership with HighWire Press. Realizing that libraries have concerns regarding print publications, including the space they occupy and the limited use they see, and have faced increasing demand for electronic access from their users, we thought that an online collection offered maximum access and pricing flexibility to the library community. Since we were coarchitects and key supporters of Project MUSE’s new tiered pricing, we adopted that model in the belief that variable pricing would allow us the broadest reach.

The “Interim” Year

With the decision to pull titles from Project MUSE finalized just before the release of 2005 pricing, Duke worked quickly to create an interim electronic package for the 2005 calendar year. Needing a detailed pricing model that was both fair and easy to understand, we settled on pricing based on a percentage of what institutions had paid Project MUSE in 2004; this percentage mirrored the amount of Duke content withdrawn from Project MUSE. Our approach offered Duke content at a deeply discounted rate for many institutions, inasmuch as it honored consortial discounts; we hoped that this pricing method made the transition for libraries relatively easy. With this temporary solution in place, we began collecting information with which to develop a sustainable pricing strategy for the electronic package.

During the interim year we received many questions and valuable feedback from the library community. Librarians wanted to be assured that the package was stable, and of course everyone wanted to know what the pricing model would look like after the interim year. With budget time approaching, librarians needed to know what they would be paying in 2006, and ideally for the next few years. Since some libraries had received a 90% discount due to consortial arrangements, we knew that the price increases in the near future could be substantial for some libraries. To lighten the burden on library budgets, we implemented a price cap.

2006 Pricing Model

Our approach for a sustainable pricing model stemmed from the need to recapture revenue from canceled print subscriptions while keeping up with the technological demands of our subscribers. We wanted to base the price on the number of titles in the collection and to account for the type of institution, without basing price solely on size, by incorporating usage. The Project MUSE model addressed both size of institution and usage.

The base price for the e-Duke Scholarly Collection was calculated from the subscriptions of the 20 titles in the collection that no longer have current content on Project MUSE. The price offered to the top tier of subscribers (doctoral research extensive institutions) represented a 33% discount over the individual purchase of these titles.

We needed to address specialized institutions, such as medical schools, schools of business, art, music, or law, and teachers colleges, whose Carnegie Classification does not necessarily reflect their size. Our approach approximates a tier equivalency by taking into account the types of degrees these institutions grant and their full-time enrollment. Although specialized institutions do not make up our core subscribers, we wanted to offer a reasonable price to all institutions interested in Duke content.

We also needed to focus on the international market, a growing component of our subscriber base. Because international institutions do not have classifications similar to Carnegie, we determined prices for them by incorporating World Bank income classification as well as institutional volume and serial holdings.

Lastly, we capped the increase in subscription price at $500 to reduce its impact on library budgets. We expect all of our subscribers to have eased into the designated rate for their tier by 2008. We also intend to limit the increase for 2007 to 6%-8%.

While the logic of the tiered pricing model includes usage, Duke will be unable to collect reliable usage data until the end of 2006, when content has been available at HighWire Press for one year. Thus pricing for 2006 and 2007 is based on median usage; pricing that takes actual usage into account will begin in 2008. To avoid penalizing institutions that want to maintain their print holdings, we have offered print “add-on” discounts to all collection subscribers. The level of discount, continued on page 28
eBooks seem poised to take off. With the advent of exciting new technologies such as
electronic ink and electronic paper, and readers like the iLiad and Sony Reader, eBooks may
finally break into the big time. If that happens, librarians will need to come up to
speed on the options available to them to pro-
vide eBooks to their patrons. This will not
be an easy task, however because of the be-
wildering array of different licensing arrange-
ments. Fortunately, the complexity of eBook
licensing can be mitigated somewhat because
most can be grouped into a few basic broad
categories.

There are three basic models of eBook li-
censing that seem to cover most vendors, with
a few variations and one notable exception.
The print model of eBook licensing treats the
eBook the same as a print book present in
the library. The book is offered for checkout, and
once checked out, cannot be accessed by other
users. The other dominant model follows the
familiar “database subscription” model, and
parallels subscriptions to such resources as
InfoTrac OneFile, with an annual subscrip-
tion fee and unlimited simultaneous access
for users. The final model is the free or open
access model, which encompasses all those
eBook collections that are available for free
on the Web.

To understand and negotiate the various
types of eBook licensing agreements, librari-
ans must have a basic understanding of Di-
gital Rights Management (DRM) technology.
DRM is used to prevent unauthorized use of
eBook content. This can include limiting the
number of pages that can be printed within a
certain time period, limiting the amount of
cut-and-paste a user can perform, regulating the
period of checkout, or keeping track of the
use of the materials (e.g., how quickly
pages are being viewed).

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Duke University Press...
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60%-80%, is also based on Carnegie Clas-
sification.

Where We Are Now

We released the e-Duke Scholarly Col-
collection and the pricing model for the 2006
calendar year in July 2005, emailing prospec-
tive subscribers, posting on library listservs,
coordinating with subscription agents, and
contacting consortia. We also posted the
information prominently on our Website, where
we launched the Library Resource Center
to inform the library community about Duke
journal titles, pricing, online access, and new
initiatives.

The e-Duke Scholarly Collection has
been well received, with about 400 subscrib-
ing institutions at this writing, and we believe
that the flexible pricing model, the ease
of access, the excellent services provided by
HighWire Press, and our commitment to
archiving the collection has made it a valu-
able addition to academic libraries.

Upcoming initiatives at Duke include us-
age-based pricing quartiles, the
retrodigitization of journal content, finalized
archiving agreements, continued improve-
ment at the HighWire site, and the collec-
tion of feedback from libraries and subscrip-
tion agents.

To view Steve Cohn’s open letter to li-
braries, and for more information about Duke
University Press and the e-Duke Scholarly
Collection, visit us at www.dukeupress.edu/
library.

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Print Model

NetLibrary is a prime example of the print
model of eBook licensing. Just like a print book
in the library, one user at a time is permitted to
view the content of the eBook. When the book
is checked in to the collection, then the
next viewer is allowed access. If a library wants
two users to be able to access the book, they
will need to purchase two copies. Tables of
Contents can be viewed without checking out
the book, and e-mail notifications assist the user
in getting their turn with the content they are
seeking. When purchasing books, institutions
can choose an annual access fee or a five-year prepaid access that
NetLibrary calls perpetual access.

This is because any future access
fees will only be assessed in the
case of unforeseen changes to
the service or technology.

NetLibrary has very re-
strictive DRM, which limits
its printing to one page at
a time, limits the number of
times a cut-and-paste
operation can be performed, and forces the
user to enter a code if the software detects that
the user is paging too quickly through the content.

Libwise is another vendor that uses the print
model for a portion of their collections. Four
different tiers, reflecting a sliding scale of
monthly checkouts and cost, are offered. A li-
brary purchases a set number of checkouts per
month, which covers all checkouts over the
collection. The Libwise DRM will cause the
Ebook downloaded by a particular patron to
become unusable at the end of the checkout
period, at which time it is available for use
by another patron. Both vendors also pro-
vide a simultaneous use model for portions
of their collection, such as NetLibrary’s
Reference Center.

Database Model

The database model is one of the most popu-
lar licensing arrangements. It essentially treats
the eBook content as similar to a database. You
license the content from the company and as
long as you continue with the subscription, your
users will be able to access all the content.

Ebook is a good example of this model. Some
other vendors following this basic model include

But not all vendors use such a straight-forward
implementation of this licensing model.
For example, when purchasing a reference
work from Gale Virtual
Reference you are actu-
ally purchasing two
things: the work and ac-
sessment to it. Gale uses
the subscription model in
that they allow simulta-
neous access to multiple users while you are
subscribed to their service. But at
the same time, Gale
recognizes that you have bought the content
and that it is yours to keep; they will send you an
electronic file of that content and you are free
to host it yourself.

ABC-CLIO also allows for the outright
purchase of an eBook. As part of this pur-
chase, the institution receives a license for
unlimited simultaneous usage. They are then
free to provide access to the eBook in any
manner, whether it is a hosting service such
as NetLibrary or a homegrown service. Of
course, ABC-CLIO will also provide host-
ing services which need to be renewed peri-
odically. Both vendors have an array of dif-
ferent choices for these renewal periods.

Safari Books Online has business and tech-
nological packages as well as a “desktop” col-
collection which provides support information
for various commonly used office software app-
lications. Safari also allows simultaneous ac-
cess of the collection as well as the capability
of searching across the entire collection.

Safari also has a “bookshelf” package that
allows the individual to select a set number
of books, either 5, 10, 20, or 30 (starter, small,
medium, and large tiers) and populate it with
titles. An individual title may cost a half-slot,
a full slot, or two slots in the chosen tier. You
can then access the content of those titles
cover to cover. You can also swap out any
title for another after it has spent 30 days on
the bookshelf.

The bookshelf package alters the nature of
searches on Safari. When you search, you
search the whole collection, but are only pro-
vided full text access to those books on your
bookshelf. Any content not on your bookshelf
will only get you a preview of a small portion
of the eBook. If you upgrade to the “Max” pack-
continued on page 30

<http://www.against-the-grain.com>