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What Do Mergers Do For Libraries

Editor

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come part of the **Cahner's Publishing Company**.

MAID buys DIALOG

In December 1997, MAID plc completed the acquisition of **Knight-Ridder Information, Inc.** (KRI) and officially changed their name to **The Dialog Corporation** plc. This merger has created the world's largest online information company and they plan to consolidate their three separate data centers into one located in Palo Alto, California.

Headquartered in London, the company has a strategic plan for three main operating divisions: a groupware and intranet solutions division offering the support of information professionals; an interactive solutions division comprised of the databases in Dialog and DataStar plus two end-user products — **Profound** and **Dialog Select**; a division focused on generating alliances with companies such as **AltaVista** and **Microsoft** to utilize **MAID's InfoSort** technology and the combined databases.

Although strengthened by the combined offerings of MAID and KRI, Dialog must create a role for their services in an environment where the end user is being trained to search locally mounted databases and the Web, rather than rely on the librarian for intermediated searches.

The future ownership of **CARL** and the popular **UnCover** database and document delivery service is uncertain at this time. If sold, this would be the third sale including the initial sale to **Blackwell's** and then to **KRI**, both of whom invested in product development with CARL.

THE NEWS INDUSTRY

The landscape looks considerably different than this time last year in the personalized news business. The entry of

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What Do Mergers Do For Libraries?

ATG wanted to find out what librarians are saying about all these mergers. We polled several directors and large consortia representatives. Surprisingly few actually took this opportunity to respond. The majority of responses can be summed up in this reply from **Tony Ferguson** of Columbia University: "I see only doom, gloom, and foreboding regarding the Elsevier move." Here's what we heard.

Some of the benefits cited include one-stop shopping; larger-consolidated publication offerings; and standardization. On the "down-side," many libraries find that consolidations result in limited product choices, limited customized solutions, and less customer participation in a company. Most libraries report they do not feel any "power" over corporate decisions and few have ever taken actions against mergers that affect their business operations.

Bill Sozansky, Library Director at University of Minnesota-Duluth, offered some very insightful and objective views of the consolidations taking place. "Just look at what's happened in the defense industry!" he replied. Just like the rest of the commercial world, Sozansky recognized that publishing, as well as electronic services, are capital intensive industries. He stated "individuals can be publishers, but to do things right, needs investment." Bill elaborated that what is most vital is to assure that we continue to have at least three or four competitors in the library market to assure competition and value-added services. In summary, Sozansky stated what is really needed is diversity in services offered; "a need for separating content from technology." Library end-users don't really want multiple interfaces; they want the convenience of central delivery. "Publishers are not necessarily library service-oriented, but they are the producers of quality data content." He further emphasizes that the need for world-wide standardization and transactional article/document procedures are the primary areas that need the major attention and investment for improved results.

Libraries actually see the merger of **Wolters Kluwer** and **Elsevier** as a merger of two huge-profitable companies. But there is no doubt that this merger creates a critical mass of electronic journals. On October 30th, the **Association of Research Libraries** announced the formation of the **Scholarly Publishing & Academic Resources Coalition (SPARC)** (see: list proc@cni.org and www.arl.org/scomm). This promotion states:

" ... increasingly, much scholarly publishing — particularly science, technology, medicine, and law — is being consolidated into the hands of a few large commercial companies. The most recent example is the proposed merger ... of the British-Dutch company **Reed Elsevier**, with its primary competitor, **Wolters Kluwer**, another Dutch company, creating the world's largest publisher of academic and trade journals. These publishers had combined sales of $6.6 billion in 1996 and publish a combined total of almost 2200 titles.

"With prices continuing to spiral and commercial publishers pursuing an aggressive strategy of acquisitions, we must take some action to ensure competition in the market-place," said **Duane Webster**, Executive Director of ARL. "Library partnering with scholarly societies, university presses, and other educational and research organizations that can achieve the high quality expected of scholarly publishing will create an opportunity for the academic community to enrich the marketplace with publishing ventures that are affordable and respect the academic values of access to information for research and teaching."

The following comments are from **Ann Okerson**, Yale University: "As publishers merge and the information publishing world scales up, well-capitalized publishers (such as Elsevier, for example), are positioned to invest the necessary funds to make their businesses more competitive and efficient/cost-effective. Ideally, this would lead to both a more coherent product AND a lower price to the consumer. So far, consolidations in scholarly communications or publishing have not often worked to the advantage of the consumer. And librarians are skeptical that current and future consolidations would result in better products at contained or lowered prices. Instead, avenues of competition seem to be consolidated or cut off and prices rise. The resulting large publishers or large aggregators are more likely to command the presentation of the ensuing products and the terms of transactions. I do not believe that long-term this kind of consolidation is in the interests of the marketplace."

As with all other industries around us, banking, telecommunications, news services, etc., it is obvious the consolidations and mergers in publishing and library industries will continue in the year to come. The consensus from the library perspective is that the bigger consolidation can be better for libraries only if the size is leveraged to solve needs, provide additional resources, solicit library customer feedback, and reduce costs to the library.