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 coauthors 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on a percentage of what institutions had paid Project MUSE in 2004; this percentage mirrored the amount of Duke content withdrawn from Project MUSE.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 hope 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 of each title on 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 subscription prices 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

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