Against the Grain

Volume 27 | Issue 5 Article 12

2015

Reflections on the 2011 PDA Issue

Xan Arch
Reed College Library

Recommended Citation
Arch, Xan (2015) "Reflections on the 2011 PDA Issue," *Against the Grain*: Vol. 27: Iss. 5, Article 12.
DOI: https://doi.org/10.7771/2380-176X.7178

Reflections on the 2011 PDA issue

by **Xan Arch** (Director of Collection Services, Reed College Library)

Four years ago, I edited a PDA issue for ***Against the Grain***. Patron-driven acquisition was a hot topic then, and conference programs were full of sessions on library experiences with this purchasing method. I was curious what the authors from the 2011 issue thought about their articles now and how PDA has changed since then.

Bob Johnson's article started off the 2011 issue by outlining the basics of PDA. He had implemented a PDA program at **UCI** in 2010 and was ready to discuss the main issues a library should consider before starting one of their own. Now, **Bob** no longer works in collection development, but his colleague **Keith Powell** provided an update on **UCI's** program.

> Here at the **UCI Libraries** we have had considerable success with an e-preferred DDA program over the last several years. Our first pilot begun in late 2010 with **Coutts/MyiLibrary** was very informative and allowed us to launch a second pilot with **YBP/EBL** in January 2012. This second pilot had the necessary linking infrastructure we desired with our print approval programs and now has been fully operationalized as a standard purchasing program. We have loaded over 25,000 records — over $2,000,000 worth of content, while our actual DDA short-term loan (STL) and purchase costs of that content have been substantially under $150,000 to date. Having a DDA program has allowed us to continue to provide a large amount of relevant content to our users while minimizing costs during a time of serious budgetary constraint.
>
> At **UCI**, we use an STL model where we purchase on the third use. This creates an additional premium for the materials we purchase, but the overall savings combined with our access to much greater content far outweighs that premium on cost. The rising cost of STLs is creating pressure to reevaluate our current model, and we are monitoring this. Additionally, we have seen general usage in terms of STLs and purchases increasing as we load more content and as eBooks become more acceptable to users in various disciplines. Our costs this next year alone may match our entire costs to date over the past three years. Even then the savings will continue to be significant.
>
> DDA has been a success for **UCI**, yet increasing costs and usage may create a less favorable return. Nevertheless, **UCI's** success with e-preferred DDA has allowed us to investigate now the possibility of a print DDA pilot. So, as we all know, change is constant and adaptability necessary.

Sandy Thatcher and **Rick Anderson** love a good debate, and that's exactly what they contributed in 2011. They debated the effect of PDA on scholarly publishing. **Sandy** has since retired but is still thinking about library issues. He says:

> My view of PDA has become somewhat more nuanced since the article appeared. I now tend to think of it as a mixed blessing. On the one hand, it may actually help counter any bias that exists about purchasing revised dissertations (a subject about which **Rick** and I have sparred over the years). On the other hand, it potentially has a negative influence on cash flow as it likely results in delayed ordering of monographs that under approval plans would have been ordered at the time of first publication, and it poses a threat to the income stream from course adoption of paperback editions (and for that reason some presses have kept some books out of PDA systems and also the eBook aggregations like the ones that **JSTOR** and **Project MUSE** run).
>
> **Rick** agrees:
>
> That PDA is a mixed blessing, as all collection development strategies and tools are. I have never claimed (and would never claim) that PDA is a perfect solution to the problems of library collection-building. Unfortunately, perfect solutions aren't available to us; we're stuck with a situation in which genuine needs (not just wants) greatly outstrip the resources available, which means we have no choice but to make difficult and sometimes wrenching decisions about what to buy and what not to buy. If we had functionally unlimited resources, I'd be in favor of erring on the side of inclusiveness — buying as much high-quality and high-relevance scholarship as we can and making all of it available to our students and scholars. But that's not the world we live in, sadly. We live in a world of strictly, even drastically limited resources, and I have no choice but to deliberately exclude large swathes of the scholarly record from my library's collection. And of all the criteria available for me to use in deciding what small subset of the scholarly record to include, I still can't think of a better and more responsible one than genuine, demonstrated local need.

In 2011, **Michael Levine-Clark** focused his contribution on how to maintain a PDA program over time. He comments that many of the issues that he discussed in 2011 are still concerns today.

> Four years ago, I wrote about what I thought it might take to make DDA the primary means of building collections in academic libraries. At the time I recognized that most libraries would not want to go this route, but believed (as I still do) that for many libraries a large DDA consideration pool would provide their users with the broadest and deepest collection possible. I saw several barriers to this expansive vision of DDA, two of which are worth noting. 1) I observed that DDA would not work on a broad scale unless more titles were available through DDA models. While there was definite progress in this regard after 2011, publishers have recently begun pulling back from DDA with increased STL costs and limitations on front-list titles, and some have probably quietly stopped placing titles into DDA pools at all. 2) I stated that for DDA to be anything more than a complement to traditional collection development, we needed a way to ensure long-term preservation of those titles in our consideration pools that we had not yet purchased. This preservation need is something that the **NISO** Demand-Driven Acquisition of Monographs Working Group, which I co-chaired, articulated in its recommended practice document published in June 2014. It is still something that is vitally important, but as yet there is no preservation solution for not-yet-owned content.

Jason Price wrote in 2011 about the effect of Digital Rights Management (DRM) on patron-driven acquisition.

> Four years later...and libraries and their users are still frustrated by *simultaneous user restrictions* and *digital rights management (DRM)* of books they own on aggregator platforms. Although there have been a couple of noteworthy improvements in these areas of friction, the *dual access* that would allow the ideal marriage of sophisticated demand-driven purchasing and DRM-free use remains elusive and exclusive to the few savvy libraries that have managed to negotiate it. At least one major aggregator (**ebrary**) now provides an option to automatically and seamlessly upgrade a single-user book to multi-user based on demand for the individual book. Additionally, many publishers are experimenting with *evidence-based selection (EBS)* models in lieu of the sophisticated triggering systems that are still unique to aggregators. The impending demise of the *short-term loan* component of demand-driven acquisition may reduce the need for sophisticated triggers, but the appeal of a "one stop shop" and desire for flexible, responsive allocation of book funds across publishers suggest that publisher-by-publisher EBS is only a partial solution, at best.

In 2011, we heard from **Emily McElroy** and **Susan Hinken** about the **Orbis Cascade Alliance** DDA program. This program was only in the design stage at that point, but now is up and running. The current chair of the Alliance eBook team, **Serin Anderson**, comments on the 2011 article.

> It's fascinating to reflect on an article that, while written a short time ago, outlines a program that has seen so much change.

continued on page 28

STL: A Publisher's Perspective

by **Rebecca Seger** (Senior Director, Institutional Sales, Oxford University Press) <Rebecca.Seger@oup.com>

and **Lenny Allen** (Director, Institutional Accounts, Oxford University Press) <Lenny.Allen@oup.com>

"I saw the crescent, but you saw the whole of the moon." **— The Water Boys**

The introduction of Short-Term Loan (STL) into the current range of models available for the access of electronic content has been the cause of much discussion during the past couple of years and, dare we say it, some contention in what is otherwise a generally cordial area of mutual mission-based endeavor. A full year following the introduction of changes to the rate structure of STL, there remain questions about the model and, based on direct conversation with numerous librarians across the country, a lack of complete clarity as to how and why this model has impacted the publishing of the scholarly monograph.

This presents us with an excellent opportunity, as publishers, to peel back the curtain, as it were, and look at the current monograph publishing model, how it developed, and how new and evolving models not limited to STL are impacting it. Certainly much has been written about the current state of academic publishing, and the pages of ***ATG*** alone carry many such articles. And while there are many areas of academic publishing, as the scope of both for- and not-for-profit presses is vast, we are here limiting ourselves to discussion of the scholarly monograph alone.

The scholarly monograph, in its current format, has existed for hundreds of years. As the peer-reviewed output of an academic press, many of the costs associated with producing it, whether in print or as an eBook, have been in place for nearly as long.

What do those costs look like and what do they cover? Well, for an average monograph of 336 pages, with a trim size of 6-1/8 x 9-1/4, the average up-front cost to a publisher is approximately $10,000. There are relatively wide variations, of course, depending on the profile of the author, permissions, number of images, etc., but for the purposes of illustrating the business model, let's continue with this particular specification.

These costs are made up primarily of expenses for copyediting, page composition, proofreading, and the author's advance against royalties. This may surprise many readers, but these costs do not go away in the digital world. The actual "PPB" — paper, printing, and binding — only make up one-third of the costs. And you can imagine the buying power that **OUP** has compared to many smaller presses — even a 10% increase on those costs can be significant.

On top of that are indirect costs that you may not even think about, warehousing for one, in both physical and digital formats. There is a cost associated with warehousing a digital object for eternity, and in fact, with the variety of different platforms, publishers actually have to produce multiple forms of digital objects. At **Oxford** we are producing XML for our own platform, UPDF for the institutional eBook aggregators, and epub3 for the consumer eBooks sellers. All of this requires resources in order to have the processes, the people, and the third-party vendors needed to create all these formats.

We also need metadata warehousing and distribution. If we wish to remain viable, we are all now required to send our metadata to discoverability services, and to the eBook aggregators and suppliers. On the sales side we have to manage the relationships with the resellers and work closely with the library community to ensure our business models and our content and our services are meeting the needs of libraries and their patrons.

Our marketing team has to work closely with authors and ensure that those in the discipline are made aware of new titles of relevance to them. And this is far more important than ever before; if we are to be reliant on demand from users to drive purchasing, we have to make sure they know it's available, and what it's about. We work very closely with the author of every single book, which at **OUP** must be approved by the Delegates to the press, senior scholars around the world who are tasked with the simple mission of ensuring **OUP** is publishing scholarship of the highest quality. And royalties management — while royalties on 500 copy sales may not make a significant difference in the life of an academic, it does have to be managed and we have a responsibility to the author to continue to manage that payment as long as a work continues to sell, and there is a cost in stewarding that. And when you produce a few thousand titles a year, or even a few hundred, that number rapidly increases.

And let's be very clear: not a single one of these publishing functions has or is likely to disappear in the digital era.

So what does the profile of a typical academic monograph look like? Though the number has been slowly declining for years — again, see any one of numerous recent articles in these very pages — the lifetime sales of a monograph range from roughly 350 to 700 units on the very high and, we might add, rare end. A full 75-80% of those sales occur in the first year. These are not considered profitable titles. For that, university presses rely on the course adopted titles or the ones that end up getting a healthy "trade/consumer" profile. We need those to support the otherwise low margin monographs.

In the past, we've had the predictability of approval plans to help guide our decisions. We knew we had a high percentage of those few hundred sales that would go through approval plans, and we could predict it by discipline. It helped to remove the risk of book publishing, which is very different than journal publishing, in that we are laying our investment out on the book with no guarantee of sales. Approval plans, while in no way guaranteeing the sale of any given title, certainly helped to make the sale of monographs more consistent and predictable.

In the old world, our profile for an individual title would include, on the profit and loss statement, many of the costs noted above. Hopefully, if we've done everything right, we earn back the majority of those upfront costs. If not, we take a hit on the bottom line for money we've invested that hasn't been returned — because anything invested that hasn't been earned back immediately is a loss on our profitability and our bottom line, until it earns itself back. "Unearned royalties," where we haven't yet sold enough books to cover the advance that we have paid our authors, are a

continued on page 30

Reflections on the 2011 PDA issue
from page 26

Subscription eBooks, initially removed from consideration in the pilot, have become a popular addition to the **Alliance** service. The DDA — which still comprises the majority of the budget and service — is now centrally managed by **Alliance** staff with minimal work on the part of individual institutions. The partnerships, which were so key to getting the DDA started, are still highly valued today. Yet, changes driven by publisher actions such as increased STL fees and front list embargoes, have increased the financial pressure on the current model. It's difficult to know exactly how current partnerships will adjust or what new partners may be on the horizon, but I certainly expect the **Alliance's** eBook service will continue to transform, much as it has over the last three to four years.

The responses to the 2011 articles show that many of the same hopes for PDA remain valid, as do many of the same concerns. However, new worries about STL pricing lead our authors to wonder about the future of this purchasing model.