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Elisabeth Leonard

SAGE Publications, Inc., Elisabeth.Leonard@sagepub.com

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The Big Deal and SAGE

by **Elisabeth Leonard** (Executive Market Research Manager, Online Products Team, SAGE Publications, Inc., 2455 Teller Road, Thousand Oaks, CA 91320) <elisabeth.leonard@sagepub.com> www.sagepub.com

The Big Deal Beginnings

Big Deals originally started to be offered by big STM publishers in the late 1990s. The Big Deal model was a logical path for these publishers for a number of reasons. First, it took advantage of the fact that in a digital environment, incremental distribution costs scale efficiently. While digital publishing involves many other publishing costs such as those involved in selecting, editing and formatting, marketing, and hosting the content, the cost of providing additional access to content once that work has been done is far lower in a digital environment.

Furthermore, many big journal publishers were also operating in a space in which a typical library was purchasing only a portion of the publishers' content and in this environment it was very difficult to generate new institutional subscriptions to individual journal titles, even when requested by researchers. The Big Deal model was a logical response to this situation; by giving the library access to a far larger portfolio of content at only a modest increase in price, it gave the publishers a way of discounting their content in an effective way — a win-win. Over time, the result has been a dramatic increase in the volume of journals accessible through most academic libraries. As a result, though the Big Deal has many challenges, it has remained because it is a model that has substantially increased both the accessibility and affordability of content.

The Big Deal and SAGE

At the time Big Deal models were emerging, **SAGE Publishing** was in a different situation from other major journal publishers. At that point, **SAGE's** journal publishing program was mostly in the social sciences though we had a few humanities titles and had just started to develop into STM journal publishing. The dynamics of the social science journals market in the late 1990s was different from that of STM. In the social sciences, we were still able to launch new journals in support of new or emerging disciplines and to generate substantial numbers of new institutional subscriptions.

The attractiveness of the Big Deal model is significantly reduced in these circumstances and as a result, as **SAGE** initially developed models for offering discounted deals for accessing larger packages of our content, we followed a different path. We went down the route of creating a number of disciplinary collections titled the *SAGE Full Text Collections*, which were marketed in collaboration with *Cambridge Scientific Abstracts (CSA)* and delivered through **CSA's** platform, alongside access to our conventional journal offerings.

Over that period and until 2006, two things happened. First, the social science market started to behave more like the conventional STM market — we found it harder to launch new journals and to attract viable numbers

of institutional subscriptions for them. And second, we had a lot of feedback from librarians saying that though they *appreciated* the flexibility of the disciplinary collections approach; they preferred us to adopt the same model as the other major publishers and to offer a Big Deal option.

Responding to this request took some significant reengineering on our side, including developing the capacity to host our full text collections on one server, and building our own library sales organization so that we could handle Big Deal negotiations directly through **SAGE** rather than through **CSA**.

The key point in development of our Big Deal offering came in late 2005 when **SAGE** was asked by the **International Coalition of Library Consortia (ICOLC)** to attend their meeting in Poznan, Poland. High on the agenda for the meeting was the question of when **SAGE** would be able to offer a Big Deal; a message heard loud and clear! By that point we had worked through our plans for offering a Big Deal option, and were in a position to announce that **SAGE** would be launching **SAGE Premier** as our own Big Deal model which would take effect in 2006.

SAGE Today and in the Future

Before online publishing, many journals had library subscriptions numbering in the low hundreds, and if the journal was established and owned by a prestigious society, maybe 1,000-1,500. Now, with **SAGE's** reach into libraries around the world and with the growth of the Big Deal, **SAGE Journals** are available to over 8,000 libraries worldwide, allowing for important scholarly conversations among the world's top scholars that are truly global. With the Big Deal, not only do readers discover information to which they would never have had access before, but libraries see high usage of journals they might never have acquired individually, sometimes due to the interdisciplinary nature of scholarship which is not easy to manage in a collection development policy mapped to departments and degrees.

It is important to note however that the Big Deal is not the only option for acquiring our journals content. **SAGE** offers multiple ways of acquiring our journals, including single title sales and disciplinary collection sales, as well as the Big Deal. We also sell subsets of the Big Deal — a Big Deal for humanities and social science content and a separate Big Deal for STM content.

One less known initiative for providing access to journals is that **SAGE** has established partnerships with a growing number of important global initiatives to allow students,

researchers, libraries and policymakers in developing nations access to the latest leading peer-reviewed research in science, medicine and the social sciences. **SAGE** partners with organizations such as **Research4Life's** Hi-

nari program (including AGORA, OARE and ARDI) which helps bring our journal scholarship to citizens of developing nations at little or no cost. In 2015, over 5,000 institutions in developing countries were provided with either free or deeply discounted access to **SAGE** journals through this program.

Within its established markets in the West, **SAGE** has also sought to enable libraries to maximize the value of the content they obtain through the Big Deal, for example in terms of supportive licensing terms on distance learners, walk-in patrons, and alumni access.

There are of course well known problems and challenges arising from the Big Deal, and **SAGE's** Big Deal is not exempt from those challenges. The biggest single problem arises from growth. **SAGE** has always been a dynamically growing publisher, and we continue to add to our publishing program both by start-up journals which meet the needs of new and emerging disciplines, and by taking on established, highly ranked society and independent journals both in STM and in humanities and social sciences. Typically, **SAGE's** journals program grows faster than library budgets. The increases involve real costs which **SAGE** incurs to expand our publishing and which we need to cover in our expanding Big Deal offering, but we understand that these increases can be problematic for individual libraries. **SAGE's** Big Deal offerings are not a "take it or leave it" model — as well as the options described above, we also offer customers the option of not migrating forward to the newest version of the Big Deal if the additional content **SAGE** has added is not valuable to them. But we appreciate that trying to maintain Big Deals with multiple publishers, within budgets which have not grown in line with the volume of published research or with tuition fees and university budgets, poses really difficult problems for our library customers.

For libraries that leave the Big Deal, we are disappointed that they are no longer participating, but understand that they may need an alternative means of accessing journals and do everything we can to support them through the transition. To this end, we provide analysis of their most used titles and propose which collections provide the most coverage for them based on usage analysis, as well as which individual titles are in most demand.

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Choosing Independence or Feeding the Beast? The Big Deal and Small or Society Publishers

by **Dr. Sven Fund** (Managing Director, fullstopp GmbH, Society for Digitality, Wartburgstraße 25A, 10825 Berlin; Phone: +49 (0) 172 511 4899) <sven.fund@fullstopp.com> fullstopp.com

The story of the Big Deal has been told multiple times over the past fifteen years or so. The concept of the Big Deal and its practical implications have become an intense battleground between large publishers and librarians. As one of the very early new business models of the age of digitization, the “all you can eat” mentality suited publishers and libraries alike, while cutting out the middleman — a novelty that nobody cared about at that time. The amount of digital content was still comparatively limited at that time, leaving the majority of the acquisition budgets to be spent on traditional collection development. As time went by and with the advent of large-scale packages of journal archives, eBook-collections and lately also the offer by publishers to sell packages of open access article processing charges, libraries found themselves in a situation in which large chunks of their budgets are locked in not only with only a few publishers, but also increasingly with large volumes of content with limited usage. Multi-year agreements have multiplied the lock-in effect libraries find themselves in. “All you can eat” made a number of libraries obese.

Now, from the discussions at library conferences, particularly the last **Charleston Confer-**

ence, it appears that libraries are changing their attitude towards the Big Deal quite significantly. The spiel around cancelling the Big Deal, it seems, is getting real, not because libraries *want it*, but because they *have to* cancel due to budget constraints. Libraries in the North America, but also in wealthy countries of Europe that have been untroubled by budget cuts so far, have actually canceled their share of the Big Deal. Both individually as well as part of a consortium, it seems that the price increases start to offset the overall benefits libraries see in the Big Deal. These institutions return, as far as one can see, to a rather traditional pick-and-choose approach of selecting their content, in parts complemented by pay-per-view options. With some insight into usage stats of the institutions, this is not only a necessary, but also an economically viable decision. Pick and choose is not pick and lose, it is the flavor of the day.

What has been largely overlooked is the impact the Big Deal has on both the portfolio of publishers offering it as well as on partners that work with these publishers. Depending on the publishing company you look at, 20-30 percent of their revenues are generated by content that they don't own themselves, but rather commission from smaller publishers

or learned societies. These society journals or books series oftentimes constitute a highly attractive category of material whose usage is significantly higher than that of a journal without the link to a learned society. From a balance-sheet perspective, society publications are also “lighter” to acquire and to maintain — not unimportant for companies increasingly geared towards financial performance.

The downsides for large publishers are obvious as well: the owners of society publishing assets can “shop around” the most prestigious journals in their stable from one publisher to another to increase their signing fees and annual receipts. Even smaller assets have changed the program context quite frequently. Of course, the same downside holds true for those smaller publishers who were enticed by the large sales forces and superior technical infrastructure publishing giants can offer them in return for their portion of the distribution partnerships — they also feed the beast of the Big Deal.

The specifics of these agreements are quite different between the various publishers' arrangements, but one quest unites all of them, quite independent of divergent product and discount structures: the Big Deal calls for ever more content to maintain publishers' revenue growth while offering better discounts to librarians — resulting in a package discount that increases from term to term of an agreement.

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For most institutions, the collections provide the next best alternative to the Big Deal as they are also cost effective and provide the next best level of coverage across a subject area.

Emerging Trends

We do not see the Big Deal as a permanent basis for the future of scholarly publishing. The Big Deal is a transitional form which enables increased access and reduced cost per access as the scholarly communication system evolves through a long term digital transition. As new sustainable ways of supporting scholarly communication offer even better access and as cost per access becomes widespread, the Big Deal will ultimately be displaced.

Today, fewer print copies of journals are desired by individuals or by institutions than ever before. For example, a number of society partners have offered an online-only option to their members; and they find that around 60%

of their membership is choosing online-only. For institutions, most libraries have continued to participate in the Big Deal that were originally interested in it when we first offered it, and in fact most libraries return to the Big Deal if they have left it for a couple years. This does not mean the Big Deal is forever. In fact, just as we originally offered the Big Deal in response to market demand, so too will we continue to track library needs and respond proactively to them.

There is no way to discuss the future of journals without mentioning the open access movement. **SAGE** was the first publisher to offer an open access multidisciplinary megajournal in the social sciences, and we offer over 70 open access journal titles now. Perhaps if the percentage of journals offered is weighed more toward open access than the more traditional journal model, the Big Deal will become obsolete. However, until that time, **SAGE** continues to offer multiple pricing models that provide the best access to scholarly works that we can on behalf of the authors and societies we partner with, and that provide access to

libraries using pricing models that they have requested from us.

The ultimate purpose for **SAGE** is for our work to contribute to the dissemination of usable knowledge, the purpose for which **SAGE** was originally founded, and for which our founder **Sara Miller McCune** has established the not-for-profit trust which will govern **SAGE** beyond her own lifetime. “Our interest in different models, whether traditional subscriptions, Big Deals or Open Access publishing options, is around building sustainable quality controls so that both authors and readers are able to find authoritative content efficiently. Though we recognize that there will inevitably be tensions around costs, we believe there is a common purpose between our role and that of libraries, and seek as much as possible to find ways of fulfilling our role which offer benefits to our library partners and to their patrons, the faculty and students.” — **Stephen Barr**, President, **SAGE International**. 🌱