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 skep-
ticism, 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 pub-
lishers to be innovative in their pricing pro-
grams?

Short answer: No. Medium-length answer:
Who cares? Long answer: We all seem to be
conditioned to believe that innovation is neces-
sarily a good thing, but in fact, it's only a good
thing to the degree that it represents improve-
ment. 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 cur-
rent management strategy? (Actually, it might.
Hmmmm.) 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 con-
sistent: Don't waste your energy trying to sell
us on how new and exciting your pricing struc-
ture 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 impro-
ving your interface.

So, am I saying that we librarians don't want
or expect simplicity and innovation from pub-
lishers and vendors? Not at all — simplicity
and innovation can be very important. But in-
novate where it matters: in your search inter-
faces, 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 in-
novation should matter much to us.

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 journal 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 Ivens 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 Ameri-
can studies, anthropology, cultural studies, gay
and lesbian studies, Latin American studies, li-
terary criticism and theory, and postcolonial stud-
ies. 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-
encouraged Neuro-Oncology among our periodi-
cals.

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 elec-
tronic 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 de-
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 sophisti-
cated electronic access options. At the same
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 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 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 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
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 provide eBooks to their patrons. This will not be an easy task, however because of the bewildering array of different licensing arrangements. 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 licensing 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 subscription 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, librarians must have a basic understanding of Digital 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 materials (e.g., how quickly pages are being viewed).

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 back in to the collection, 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 email 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 one-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 restrictive 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 library 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 provide 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 popular 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. Elibrary is a good example of this model. Some other vendors following this basic model include Books 24x7, Greenwood, and Knovel.

But not all vendors use such a straightforward implementation of this licensing model. For example, when purchasing a reference work from Gale Virtual Reference you are actually purchasing two things: the work and access to it. Gale uses the subscription model in that they allow simultaneous 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 purchase, 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 hosting services which need to be renewed periodically. Both vendors have an array of different choices for these renewal periods.

Safari Books Online has business and technological packages as well as a “desktop” collection which provides support information for various commonly used office software applications. Safari also allows simultaneous access 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 slots, 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 provided 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—

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60%-80%, is also based on Carnegie Classification.

Where We Are Now

We released the e-Duke Scholarly Collection and the pricing model for the 2006 calendar year in July 2005, emailing prospective 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 subscribing 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 have made it a valuable addition to academic libraries.

Upcoming initiatives at Duke include usage-based pricing quartiles, the retrodigitization of journal content, finalized archiving agreements, continued improvement at the HighWire site, and the collection of feedback from libraries and subscription agents.

To view Steve Cohn’s open letter to libraries, 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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