Talking to publishers about consortial PDA:
a report by JISC Collections for E-BASS25

Contents

1. Introduction

1.1 Executive summary

This report compiles the responses from e-book suppliers to questions on patron-driven models of e-book acquisition (PDA) for consortia. These questions were put to them in a series of telephone interviews conducted by JISC Collections staff in January 2013 as part of the E-BASS 25 project. All responses are unattributed at the request of some of the participants. The report concludes with a series of recommendations for institutions considering using PDA as a consortium, derived from the responses received.

1.2 The interviews

The purpose of the interviews was to elicit the opinions of the suppliers (who included publishers and aggregators) about the four PDA models being considered by the project, and how these would work as a consortium purchase. The aim was to discover which they thought were feasible or realistic in this context, and to learn their thoughts on the practicalities of how these models would operate. The intention is to use this information to construct the guidelines for institutions considering embarking on a PDA consortium project.

1.3 The process

JISC Collections staff (Ben Taplin and Carolyn Alderson) interviewed seven publishers and two aggregators. The publishers included small, subject-specialist companies and large, multi-disciplinary organisations. Apart from one, which was answered by email, the interviews were conducted over the telephone and lasted approximately forty-five minutes each. The list of questions, which had been drawn up in consultation with the E-BASS 25 Project Management team, was the same in each interview (see Appendix 1), and was sent to interviewees beforehand, along with the outline of the four models. Responses were collated and are organised thematically below.

1.4 The models

Model 1 is a purchase model, whereby the library is supplied with a collection of e-books, which are made discoverable to the library user. After an agreed amount of "significant use" of a title by a user, or "patron", a purchase trigger is activated, and the book is acquired permanently by the library. Model 2 is a rental model: similar to Model 1, but the significant usage triggers a paid-for rental period, rather than an outright purchase.

In Model 3 the library is charged for each significant use of an e-book, up to an agreed amount, after which the title is owned outright. At the end of the agreement, access to titles that have not reached their usage limit is lost. Model 4 offers access to a collection of e-books for an agreed period, after which time the library decides which titles to acquire permanently, based on the levels of usage each has received. This is known as an "evidence-based selection" (EBS) model, and is not a purely PDA model, as it allows a degree of intervention on the part of the library. Usually the amount of money the library will spend at the end of the period is decided and paid upfront at the beginning of the agreement.

A fuller description of each model is given in Appendix 2.

1.5 The consortium

The hypothetical consortium the suppliers were asked to consider comprised academic institutions of various sizes with different subject interests, differing levels of research intensity, and independent local budgets.

2. The responses

2.2 Thoughts on the models

The interviewees were asked which of the four models was most appealing to them, which they thought was fairest for a consortium, and which they did not like.

Perhaps unsurprisingly, the evidence-based selection (Model 4) proved popular with the publishers, as it would be relatively straightforward to implement, and guarantees them some upfront payment, helping their sales forecasting and planning. Seven responses favoured this model. One publisher likened it to a "paid-for trial", and one suggested that the upfront payment would be an incentive to the institution to ensure the content was used. Others mentioned its greater flexibility and sustainability. Although, according to one publisher, direct PDA models may seem initially attractive because the absence of library control could bring in higher revenue, the EBS model involves a higher level of trust and cooperation between both parties and is therefore "more interesting in the long term."

Models 1 to 3 were generally seen as being complicated to manage for the publisher or aggregator, entailing a considerable amount of technical work with no guarantee of payment if content is not used. This complexity was seen to increase if micropayments from a large number of institutions were involved.

Those who expressed a preference for the more directly patron-driven models (1-3) pointed to their relative fairness, in that libraries are paying only for content that is actually being used. One of the largest publishers stated that Models 1 and 2 are reasonable, as they reflect usage, and so justify the purchase: no publisher wants to defend purchases that are not used. One of the aggregators, who already offers Models 1 and 2, preferred them as they are the easiest to scale from individual institution accounts to accounts for consortia.

Only one respondent favoured Model 3, mentioning that its direct link between level of usage and price made it the most accurate and quantifiable model.
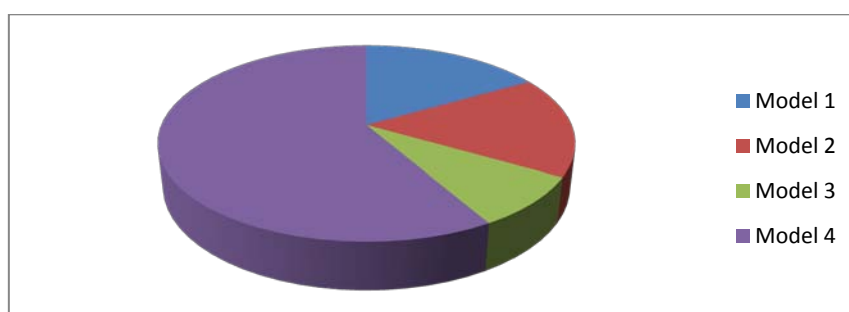

Figure 1: Preferred models of PDA

2.3 Which models are currently used?

Although the EBS model was so popular, it was interesting to learn that only two of the organisations we spoke to currently offer it. Three use a system closest to Model 3, and two offer Models 1 and 2. Most of the publishers mentioned that they would be happy to offer Models 1, 2 or 3 through a third party aggregator, even if they themselves don't currently have the technology in place to offer them directly. Most publishers are willing to be flexible to some degree if new sources of income are being proposed.
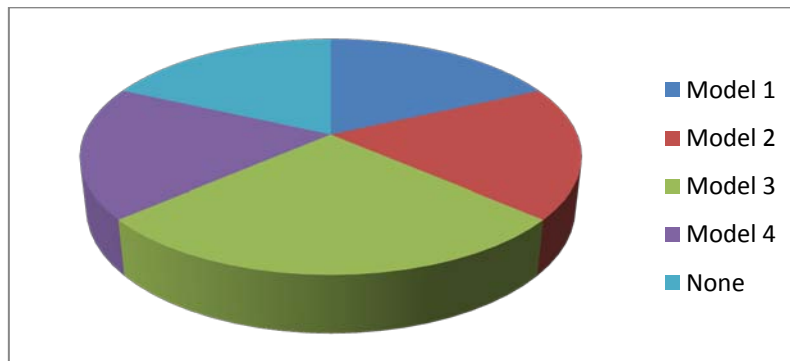

Figure 2: Currently used models of PDA

2.4 What constitutes "significant use"?

Definitions of what level of usage is deemed significant enough to trigger a payment vary considerably across the respondents. Whereas one aggregator offers only tables of contents and abstracts for free and charges for any further use ("opening the book" in their words), the other allows ten minutes of consecutive use of a single title by a single user, or ten pages read. One of the larger publishers has similar parameters, and has allowed two of these significant uses before a payment is triggered in some agreements.

Those publishers already using the EBS model provided standard COUNTER-compliant data to libraries, and a "significant use" was deemed to be any use of the content. The librarian can then make a decision about what to purchase, and may use other criteria besides usage.

There is clearly room for some negotiation around payment triggers, although this particular publisher was keen that the definitions be kept hidden from end-users, as they claim to have found in the past that students will manipulate the system to avoid payment.

2.5 Accommodating specialist institutions

In terms of which model was seen as fairest for a consortium that included institutions with specific subject interests or local considerations, two suppliers again mentioned Model 4, as it allows for some mediation or control of spending on the part of the institution. Others were of the view that special interests would be difficult to accommodate in a consortial agreement. One of the aggregators recommended any specialist institution having a personal account as well as belonging to the consortium.

2.6 Concerns over PDA

General reservations were expressed about the potential for each model to offer access to content for free. In Models 1-3 this means usage for short periods of time, below the payment threshold. This is pertinent for specialist publishers whose content receives briefer use. In Model 4, the concern is over the large amount of material being made available for no payment, especially for those publishers without DRM on their content.

The threat posed by e-books to print sales is still a concern to publishers, especially those in the textbook market, despite lack of firm evidence for any correlation. This threat is seen to be magnified by any consortial agreement in which single copies of books are shared across several institutions. This could mean that some publishers limit the titles they make available.

The idea of single shared copies also causes difficulties for payments of royalties to contributing authors: not a problem that might occur to librarians perhaps, but still a very real concern for publishers. One scientific publisher did however emphasise that the possibility of their authors' research being more widely disseminated through such an agreement should also be viewed positively. One of the larger publishers circumvents such problems by not offering shared copies: instead each institution receives its own copy, thus also addressing questions surrounding ownership if the consortium breaks up.

3. Managing consortial PDA: the practicalities

Most of the organisations we spoke to about the day-to-day practicalities of implementing and managing PDA agreements for consortia were confident that they could overcome any problems, although many expressed a wish to keep arrangements as straightforward as possible. For some of the publishers, any agreement of this nature would have to be managed by a third party aggregator.

3.2 Licensing

All respondents were happy to use a model licence to reflect the libraries' requirements for such an agreement, instead of their own licence. One of the larger publishers, however, would prefer not to use the JISC Collections model licence, which was seen as a document that favoured the institution over the publisher, and was used to push for further rights.

3.3 Payment

Although most of the publishers showed flexibility in their arrangements for ordering and payments, giving consortium members the choice of ordering and paying individually or as a group, both the aggregators preferred to centralise these functions. The larger of the two aggregators will only handle consortium orders (and in fact all communication) through a single dedicated contact, which could be problematic in terms of staffing, and so on.

In terms of the multiplying factors or discounts that publishers offer to consortia, these tend not to be fixed, and offer scope for negotiation on the part of the consortium.

3.4 New editions

The consensus among publishers is to treat new editions of titles as new items that require a separate purchase. Some publishers delay the release of new titles in electronic format so as to minimise the harm to print sales. When a title that is part of an agreement changes publisher, most of our respondents confirmed that they would be able to honour their commitments. If a publisher loses the rights to a title that an institution has paid for, a replacement title of similar value or a refund would be offered instead.

3.5 Standards

None of our respondents foresaw any trouble in supplying usage statistics to the consortium members at a group or individual level, nor any problems caused by members using different authentication methods for access. All provide free MARC records, and nearly all of them supply information to the commercially available knowledge bases and discovery services, such as Summon, and Primo. All comply with accessibility standards to varying degrees.

4. Conclusions and recommendations

The suppliers we spoke to are currently at very different stages of being able to offer all the models presented by the E-BASS25 project, but were united in their willingness to explore the practicalities of each model, and to be flexible in order to accommodate the requirements of a consortium. All of them expressed certain reservations about the various models, and about consortial agreements, however if the consortium were able to allay these concerns, then they all offered potential negotiation room for institutions, in terms of pricing, and definitions of significant use.

From the responses we received, it is fair to conclude that suppliers will be willing to offer more favourable terms to a consortium that can comply with the following requirements

4.2 Ordering and invoicing

The process for ordering and invoicing should be as straightforward as possible. Models that entail micropayments should be avoided, and if possible, the option of a centralised ordering system should be offered. In order to facilitate budgetary planning, careful thought should be given to the dates when the institutions are to be invoiced, and these should be confirmed at the start of the agreement.

4.3 Participation

There should be a firm commitment about numbers and sizes (FTEs) of participating institutions. Institutions leaving or joining the consortium during the term of the agreement should be avoided where possible, but a policy for how this eventuality should be handled should be in place at the start of the agreement. If discounts are offered on a sliding scale depending on levels of participation, then a cut-off date needs to be agreed.

4.4 Content

There should also be firm agreement about the content that is being made available. Publishers are wary of making large amounts of their content available without payment, and so an agreement that works within the parameters of a proscribed, pre-agreed list would be viewed more favourably. Make sure the supplier has a robust policy for honouring the addition or removal of titles from the list.

4.5 Expenditure

Overall, greater levels of commitment on the part of the consortium are rewarded by greater discounts from the provider. The commitment most valued by suppliers is an agreed level of expenditure. If this can be built into the agreements (Model 4 is the most suitable for this) then the provider is likely to be more generous.

4.5   Licensing

All obligations, of all parties, should be agreed at the outset, and signed by all participants. If using an EBS model, in which access to some of the content will be lost at the end of the agreement, careful consideration should be given to the licence's definition of "Licensed Material" and the permitted uses of the content: in particular the archival rights to any copies made of content that is not retained at the end of the agreement.

Appendix 1: questions to suppliers

1. Which pricing model is most appealing/offers most opportunities to the publisher and why?

2. Which of the models are used by the publisher already?

3. If you currently have a PDA model – what is the "significant use" trigger for purchase? – i.e. 3 views, 5 downloads etc?

4. What pricing model would be considered most fair for a consortium with different subject interests or local considerations?

5. What don't you like about any of the pricing models as a consortium purchasing model?

6. What are the risks/drawbacks to the publisher in using any of the models – explain?

7. Would you be willing to use a model licence (such as the JISC Collection's Model Licence) as the basis of the agreement, rather than the publisher's own licence?

8. What would the publisher want to be clear about in terms of commitment from the participants?

9. How would you expect to manage the order and payments process?

10. How would you deal with a library joining / leaving the consortium after the agreement had started?

11. How do you typically deal with new published editions for a consortium agreement?

12. How do you typically deal with titles transferred (in and out) in a consortium agreement?

13. Do you normally provide publisher MARC records? Do you provide e-book metadata to commercially available knowledge bases? If not, how do you ensure resource discovery?

14. How would you intend to manage a programme for a consortium where usage is aggregated across the participants etc, but where individual institutions have differing requirements in terms of authentication, access and discovery?

15. What levels of accessibility do you offer for users who struggle to read print?

16. Any other thoughts?

Questions about specific models

PDA Purchase model – what are the relevant multipliers that might apply when purchase is triggered, presumably on a sliding scale (e.g. X institutions at Y x Standard Price - see Arizona for example)

PDA Rental, PDA Usage

What usage stats should be provided, how often and how accessed in order to make the model attractive to librarians and administrators?

Evidence Based Model

If the consortium guaranteed a number of participants what kind of discount might be applied to encourage greatest participation?

Appendix 2: the four models

Consortial Purchasing Models:
Summary of 4 models: http://ebass25.rhul.ac.uk/

1.   PDA Purchase

- The library sets up a PDA agreement with a supplier to make a range of e-books available to users

Typically, libraries create a profile based on a set of parameters (such as subject, date of publication, publisher, price, language, readership level etc.), and the suppliers makes all e-books matching these criteria available to users. Alternatively, library staff may select a publisher's collection, or a list of individual titles.

- Once the titles have been selected, the library makes the content visible and discoverable to users.

Libraries may import MARC records into the catalogue and/or by activate resources in the link resolver so that they are visible in the library's discovery system. Typically the e-books are presented in the catalogue in the same way as pre-purchased or subscribed e-books, so to the user they simply appear to be part of the library collection, even though the library has not purchased them

- Users have full access to the e-books. Limited usage is allowed without charge, but if usage of a particular book passes a threshold level, a payment is triggered and the book is automatically purchased by the library.

Different suppliers may use different criteria and set different levels to define the purchase threshold. Typically, there are two elements which determine the threshold:

- The extent of use which counts as a '**significant use**'. Typically, viewing a book for just a few minutes or viewing a small number of pages does not counts as a significant use and does not trigger payment. Viewing for more than few minutes, or any downloading or printing from the book is counted as a significant use.
- The number of significant uses before purchase is triggered. Typically, the first significant use is free, but a second significant use triggers a purchase.

So for example:

- User 1 views two pages of a book. This does not count as a significant use.
- User 2 views the book for ten minutes, and prints two pages. This does count as a significant use, but at this stage no payment is triggered.
- User 3 views the book for one minute. This does not count as a significant use.
- User 4 downloads a chapter of the book. This counts as a second significant use, and at this point the book is automatically purchased and payment is made by the library.
- Once purchased, the e-book becomes permanently available to all library users, typically with the same limits on the maximum number of users / uses that would apply if the book were purchased under a traditional model.
- If the library decides to end the PDA agreement, access to any books which have not been purchased is withdrawn, and the library removes records for these books from the catalogue.

In this model, the library typically has control over a limited number of the settings.

- The library may decide whether or not to require the user to 'click to continue reading' beyond the significant use threshold, alerting them that the book will be purchased and a charge incurred by the library.
- The library may be able to limit the maximum significant use per user per day.

The library does *not* normally control the number of significant uses which triggers a purchase, which is set by the supplier.

Examples

- **Arizona University Libraries** (closed consortium)
- Ontario Council of University libraries (2010 pilot, closed consortium)
- CTW Library Consortium, Connecticut (2010 pilot, closed consortium)

2. PDA Rental (or PDA short-term-loan)

- The library sets up a PDA agreement with a supplier to make a range of e-books available to users

Typically, libraries create a profile based on a set of parameters (such as subject, date of publication, publisher, price, language, readership level etc.), and the suppliers makes all e-books matching these criteria available to users. Alternatively, library staff may select a publisher's collection, or a list of individual titles.

- Once the titles have been selected, the library makes the content visible and discoverable to users.

Libraries may import MARC records into the catalogue and/or by activate resources in the link resolver so that they are visible in the library's discovery system. Typically the e-books are presented in the catalogue in the same way as pre-purchased or subscribed e-books, so to the user they simply appear to be part of the library collection, even though the library has not purchased them

- Users have full access to the e-books. Limited usage is allowed without charge, provided that it falls below the threshold of 'significant use'.

Different suppliers may use different criteria and set different levels to define 'significant use'. Typically, viewing a book for just a few minutes or viewing a small number of pages does not count as a significant use. Viewing for more than few minutes, or any downloading or printing from the book is counted as a significant use and triggers a payment.

- If a user continues to use a book beyond the threshold of '**significant use'**, a rental or short-term loan is triggered:
  - The book is temporarily 'loaned' to the user, and for the duration of the loan period that user can make full use of it without triggering any further fees.
  - The library pays a fee for the loan, typically a percentage of the full list price
  - The fee depends on the duration of the short-term loan. For example, if the user has access to the e-book for just one day, the library pays 10% of the list price, but if the user gets access for seven days, the library may pay 25% of the list price.
- Further significant use triggers further loans and payments. So if a book is used a second time, or by a second user, a second short-term loan is triggered and a second fee is payable.
- After a given number of loans, the next significant use triggers an automatic purchase and the library pays the full list price of the book.

Once purchased, the book becomes part of the library's collection and is permanently available to all library users, typically with the same limits on the maximum number of users / uses that would apply if the book were purchased under a traditional model.

- If the library decides to end the PDA agreement, access to any books which have not been purchased is withdrawn, and the library removes records for these books from the catalogue.

In this model, the library typically has control over several of the settings.

- The library may decide whether or not to require the user to 'click to continue reading' beyond the significant use threshold, alerting them that a short-term loan or purchase will be triggered and a charge incurred by the library.
- The library may decide whether or not to require approval (mediation) from a librarian before the user is able to continue reading beyond the significant use threshold. Depending on the model, it may be possible to apply mediation to all requests that trigger a payment, or only to use that triggers a purchase, or only to use that triggers a payment over a certain amount.
- The library may be able to limit the maximum significant use per user per day, for example by limiting the number of short-term loans per user.
- The duration of the short-term loan can be chosen by the library, from a range of options, giving the library some control over the size of the fee payable for each short-term loan.
- The number of loans made before a purchase is triggered can be chosen by the library, giving the library some control over the point at which usage is considered sufficient to warrant purchase of the e-book.

Examples

- **Orbis Cascade** (2010 pilot now regular service, closed consortium)
- Colorado Alliance of Research Libraries (2010 pilot, closed consortium)
- Western New York Library Resources Council (2012), Boston Library Consortium (2012)
- No known UK consortial examples

3. PDA Usage

- The library sets up a PDA agreement with a supplier to make a range of e-books available to users

Typically, libraries create a profile based on a set of parameters (such as subject, date of publication, publisher, price, language, readership level etc.), and the suppliers makes all e-books matching these criteria available to users. Alternatively, library staff may select a publisher's collection, or a list of individual titles.

- Once the titles have been selected, the library makes the content visible and discoverable to users.

Libraries may import MARC records into the catalogue and/or by activate resources in the link resolver so that they are visible in the library's discovery system. Typically the e-books are presented in the catalogue in the same way as pre-purchased or subscribed e-books, so to the user they simply appear to be part of the library collection, even though the library has not purchased them

- Users have full access to the e-books. Each significant use of a book triggers a charge to the library.

Different suppliers may use different criteria and set different levels to define '**significant use**'. In some models, viewing a book for a few minutes may be free, but viewing for more than few minutes, or any downloading or printing may be counted as a significant use and trigger a payment, for

example 10% of the list price. In some models, any use may trigger a micro-payment, for example a cost per page viewed.

- If the total charges payable for the book reach a given level, then the book is deemed purchased and becomes a permanent part of the library's collection.

In some models, the purchase threshold may be the same as the list price of the book, but in other models it may be greater than the list price.

- If the library decides to end the PDA agreement, access to any books which have not been purchased is withdrawn, and the library removes records for these books from the catalogue.

The library may have the option to pay an extra fee to purchase books which have seen high usage but have not quite reached the purchase threshold.

Examples

- **JISC e-books for FE** (closed consortium)
- JISC Collections 123 e-books deal (open consortium offer)
- York / Springer (non-consortial)
- No known US examples

4.   Evidence-Based Selection

- The library sets up a PDA agreement with a publisher to make a range of e-books available to users for a defined period.

This model is currently only available directly from publishers. Typically, libraries select one or more of the publishers' collections to be made available for a year.

- The library pays a fee upfront.

The fee is typically greater than the cost of subscribing to the collection, but less than the cost of purchasing the collection. This fee will eventually be used to purchase books, but no titles are selected at this stage.

- The library makes the content visible and discoverable to users.

Libraries may import MARC records into the catalogue and/or by activate resources in the link resolver so that they are visible in the library's discovery system. Typically the e-books are presented in the catalogue in the same way as pre-purchased or subscribed e-books, so to the user they simply appear to be part of the library collection, even though the library has not purchased them

- Users have full access to the e-books. Any usage during the year is recorded.
- At the end of the year, librarians review the 'evidence' of usage statistics and select the books they wish to own as part of the library's collection. The library can select titles up to the value of the fee originally paid at the start of the year, and each title is typically charged at list price.
- If the library decides not to continue with the agreement, access to books not purchased is withdrawn and the records removed from the library catalogue.
- Alternatively, if the library decides to continue with the agreement, another fee is paid and users continue to have access to the full range of books for a further year. At the end of the second year, a second batch of books may be selected for purchase, and so on.