

# *The Consortium Site License: A Sustainable Model?*

MARK ROWSE  
CEO, Ingenta PLC, Oxford, UK

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The spread of consortial licensing and the 'Big Deal' has been rapid and far-reaching. While there would appear to be many advantages associated with this purchasing model, there are also reservations about its impact on librarian choice and concerns that it may serve to further consolidate the dominant position of some of the biggest STM publishers. However, until recently little qualitative or quantitative research had been undertaken into the impact this purchasing model is having upon the scholarly communication system. This article summaries the findings of a research pro-

gramme run by the Ingenta Institute in 2002 which consisted of three separate independent studies into the perceived advantages and disadvantages of the consortial site license for libraries, institutions, publishers and end-users. Preliminary conclusions suggest that while this model has brought many benefits to all stakeholders, it is unlikely to continue in its current form, with significant adaptation and development anticipated at the next round of consortial license renewal. While the number of consortial deals may indeed increase in the future, these deals will not necessarily be 'Big Deals'.

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## *Introduction*

Over the last four to five years, academic, public and special libraries in many countries have been joining together to negotiate collective licenses for the use of electronic journals and other forms of digital information, with consortia sales fast becoming the predominant means of negotiation access to scholarly journals. The advent of the 'Big Deal', in particular – a model that enables a group of libraries to pool their purchasing power through a central consortium that negotiates a multi-year electronic access agreement directly with a large publisher, providing online access to many additional titles at relatively little extra cost – has played a significant part in the rapid uptake of electronic content by users throughout the world.

However, the 'Big Deal' has not been without its critics. There are reservations within the library community about the effect that this form of licensing is on the collection-building role of the librarian. The all-you-can-eat model, which is of-

ten coupled with non-cancellation policies that prevent librarians from cutting lesser used titles, appears to leave little room for appropriate selection and collection-building. The all encompassing nature of the Big Deal means a library may be burdened with titles that have little relevance to its users, or which are of low quality, with reduced funds left over for the purchase of additional subscriptions from smaller or society publishers (who, for the most part, are not participating in consortial sales).

There are also concerns about how future Big Deal purchases are to be funded, as current contracts near their end. The extra funding secured by many libraries for the first round of consortial sales is likely to be unavailable when it comes to renewal, casting doubt on the ability of library budgets to sustain this form of purchasing in the longer term. The question now being asked is how long will the consortia site license last in its current form: whether it was the transitory product of an exceptional period of time, as libraries and publishers migrated from a primarily print-

based information economy to an electronic one, and whether new models will emerge that accommodate the benefits of the Big Deal, but dispense with some of the problems associated with this form of bulk purchasing.

### *Ingenta Institute Research Programme 2002*

These are some of the issues addressed by the three independent studies commissioned by the Ingenta Institute a non-profit organisation funded by Ingenta plc, which embarked on a major international investigation into the historical and likely future development of the consortial site license in 2002.

The Institute commissioned a programme of independent and original research which set out to determine what the main strategic and operational issues of consortial licensing have been for all stakeholders. The programme consisted of three separate qualitative and quantitative studies into the development of the consortial site license, and its perceived advantages and disadvantages for institutions, libraries, publishers and users.

Information industry expert Professor Donald W. King of the School of Information Sciences, University of Pittsburgh, conducted a comprehensive review of consortium licensing in the U.S., outlining major trends that have occurred over the past 25 years and analysing the impact that recent electronic developments are having upon the entire journal system.

King focused in detail upon how consortia can best contribute to the benefit of all participants within the journal system, and how publishers, consortia and libraries can improve upon their decision-making and optimise current purchasing and distribution channels. His study drew upon data from 15,000 surveys of U.S. scientists and consortia questionnaires, which together with findings from King's own longitudinal studies of journal usage provide fresh insights into the impact of consortia and electronic journal packages on the changing scholarly information environment.

This research was complemented by UK-based research consultancy Key Perspectives, who undertook extensive studies into the impact that consortium site licenses are having on libraries

and publishers, conducting focus groups and personal interviews with an international selection of senior publishing and consortia representatives.

Their report highlighted what participants believe to be the major issues of consortial purchasing, and included feedback from a wide range of consortia, including NESLI, FEDLINK, the Boston Library Consortium, the National Electronic Library of Finland, the Dutch Association of University Libraries and the Consortium of Catalan University Libraries, Spain.

A broad sample of small, medium and large commercial and not-for-profit publishers also contributed to Key Perspective's study, including the American Institute of Physics, American Psychological Association, Blackwell Publishing, BMJ Publishing Group, CABI, Cambridge University Press, Elsevier Science, Emerald, Institute of Physics Publishing, John Wiley & Sons, Nature Publishing Group, Oxford University Press and Springer Verlag.

Finally, the Institute commissioned the Centre for Information Behaviour and the Analysis of Research (CiBER) of the City University, London, to study site licensing and consortia developments from the user's perspective, so as to gain a more thorough and quantitative understanding of the impact that the Big Deal and site licenses are having upon patterns of user behaviour.

Led by David Nicholas and Paul Huntington, the yearlong CiBER programme is analysing statistical usage data from two international publishers - Emerald (formerly MCB University Press) and Blackwell Publishing. The CiBER project will chart how the user behaves in a digital information domain created by the 'Big Deal' and will identify any changes that are consequently occurring in information-seeking behaviour. To date, CiBER have measured the digital 'fingerprints' of tens of thousands of users from around the world, approximately 50,000 of whom are Big Deal subscribers.

Preliminary results from the first stage of the research programme provide some illuminating new insights into the way the consortia site licence is evolving and what the future might hold for this purchasing model. Early findings would appear to suggest that, despite widespread adoption, key stakeholders within the information community doubt whether the consortia site licence

will endure in its current form. On the contrary, both publishers and librarians alike consider this to be a temporary state of affairs.

### *Overview of consortia*

Library consortia are not new phenomena. Many have existed for decades, and perform a range of functions beyond the negotiation of licenses and advantageous prices for the purchase of electronic and print journals. There are wide variations in the function, size and type of consortia, and the deals they strike with publishers.

Professor Donald King's research, in particular, pointed to significant regional variations, with marked differences between U.S. and non-U.S. consortia. Consortia have long been part of the library landscape in the States, where some date back over a hundred years and where they have a tradition in the provision of a broad range of network services to their members, encompassing services based around shared resources, central catalogues, inter-library loan and document delivery ordering, centralised technical and operational systems and reference resources, among others. Whilst U.S. consortia tend often to have a multiple-function role, those arising more recently in Europe were predominantly developed to for the purpose of electronic site licensing.

U.S. consortia tend to be bigger than their European counterparts, with an average of 182 members per U.S. consortium, as compared to 83 members per non-U.S. consortium. At their largest, they may serve hundreds of thousands of users. The OhioLINK consortium, for example, is made up of 17 public universities, 23 community and technical colleges, 38 private colleges and the State Library of Ohio, and serves over 500,000 students, faculty and staff via 113 campus-based library systems and networks, and the Internet.

While the overall U.S. budget may be greater – averaging \$4.5 million for a U.S. consortium, as compared to \$640,000 for a non-U.S. consortium – King found that the average budget per member serviced is actually lower for U.S. consortia, averaging \$52,000 per member, as compared with \$64,000 per member outside the U.S.

In other respects, consortia internationally share some similar characteristics: all have a proportionately high academic membership (around 90%), and around half of all consortia are 'multi-type',

that is, serve at least two different types of library. Non-U.S. consortia are more likely to include special libraries within their membership, while U.S. consortia are more likely to serve school and public libraries.

### *The advent of consortial licensing*

It is only in the last four to five years that there has been marked growth in consortia whose primary purpose is to wield collective bargaining power in the purchase of online content, a trend in large part stimulated by developments in technology that have led to the online dissemination of scholarly information. Financial imperatives have also played an important part in this development. Against the background of the 'serials crisis', which produced double-digit journal subscription increases over a number of years, libraries welcomed the opportunity to access a greatly expanded pool of content for relatively little extra cost.

In many cases, libraries received extra funding to finance consortial deals. In some instances, this funding has been made available at a national or regional level – as in the U.K., Switzerland, and Canada – where for example the Canadian National Site License Project secured £21 million in national funding. Other libraries have received additional funds, top-sliced from their institution's budget. However, where no external financing was forthcoming, money had to be found from existing budgets, often via cuts in book purchasing, ILL activity or cancellation of non-Big Deal journal subscriptions.

Publishers have offered site licenses for many years, but have only recently provided special consortial arrangements in which groups of libraries gain access to bundled collections of content. Having established the infrastructure to deliver electronic content to their existing users, it is relatively cheap for publishers to extend access to that content to additional users, an efficient way of generating additional revenue and increasing market share. Consortial arrangements from current journal collections date back, in the main, to the mid to late 1990s: a trend started by handful of large and medium-sized publishers in 1997 and 1998, which was followed by a second wave of medium sized and some smaller publishers in 1999 and 2000.

According to Don King, several factors have combined to make consortia licensing 'both possible and desirable', namely:

- First, there has been the sudden onslaught of new materials and electronic version of old materials, straining the budgets and technical capacities of libraries.
- Second, library users want to have quick and easy access to those materials.
- Third, national governments in Europe and North America have been willing and eager to provide additional funding to support broad-based consortia designed to improve access to serious electronic information for the benefit of the public citizenry.
- Fourth, there has been a remarkable willingness on the part of information producers to negotiate with multiple institutions rather than to insist on individual contracts with individual libraries.

Within a relatively short timeframe, consortial purchasing has become the norm for many institutions. For large consortia, the number of journals delivered via the big deal is now in the thousands. In the sample of libraries surveyed, the proportion of consortia-member libraries' holdings derived from consortium deals currently averages around 50%–60%, while Key Perspectives found that large and medium-sized serials publishers now rely on library consortia for between 25%–58% of their total revenues.

Moreover, this activity looks set to increase: consortia representatives indicated that they have been steadily increased their licensing activity since signing up their first deal. On average, consortia in the Key Perspectives sample had signed up with 12 electronic journal publishers, subscribing to around 5,000 journals per consortium, on which they spend an average of over 2 million euros per annum. All confirmed that they expect the number of licenses to grow in the future, as many other publishers are now putting forward consortial packages for consideration by the library market.

### *Types of consortial license deal*

In general, consortial licenses have been agreed for three to five year periods. Consortial deals can be divided into two basic types of package.

Firstly, there is the 'Big Deal', also known as the all-you-can-eat model. Pioneered by Elsevier Science and Academic Press, and now offered by

many major academic publishers, the Big Deal may consist of hundreds of titles – often the publisher's entire journals list – sold in a bundled package to a consortium of libraries on a one-price, one-size-fits-all basis. Typically, pricing is based on historical subscription purchases, and a publisher might supply a whole list for the price of the sum of the original print subscriptions of a library consortium, with an electronic premium added generally in the range of between 5% and 15%. Members of the consortium gain access to greatly expanded pool of content for relatively little additional cost.

In the second type of arrangement, member libraries get access to an expanded set of journal content, by gaining access to all the journals on a publisher's list that other members of the consortium are already subscribing to. While not a 'whole list' deal, the individual member library's holdings are increased to total the sum of all other members' subscriptions to that particular publisher's content. Again, consortial pricing in this arrangement tends to be based on the sum of existing subscriptions, plus an electronic access premium.

There are, however, variations in the pricing matrices used.

- Some publishers offer standard access to electronic versions of the journals (at around 90% of the print price), with the option to buy printed journals on top at discount.
- Others offer electronic only packages, with prices typically in the range of 85% to 90%, with electronic service fees added on.
- Pricing may also be based on head-counts, generally on the number of students and FTEs.
- Transactional pricing is also an option in rare cases, though has been less popular with academic libraries.

Libraries have not only benefited in overall reductions in cost-per-title: consortial deals have often entailed improvements in usage terms. Successful negotiations have resulted in flexible licenses terms for inter-library loan and the use of articles in course packs, for example.

### *The negotiation process*

In general, these types of deal are struck directly between consortium and publisher. Senior librari-

ans stated that they were somewhat surprised that subscription agents have not played a greater role in this process, particularly as the negotiation of consortial licenses is often a complex and protracted undertaking which impacts on the operational resources of both publishers and libraries. One exception to this is the role that the subscription agent Swets Blackwell undertook as the Managing Agent for the NESLI (National Electronic Site Licensing Initiative) licensing scheme for U.K. higher education establishments, which has now run its course.

Don King's surveys, for example, found that a week is generally needed for the initial stages of a consortia license deal, thereafter an average of 80 hours per year is spent by the library dealing with publishers, and a further 30 hours per year with other libraries, on electronic journal services and related issues. Key Perspectives reported that it has not been unusual for negotiations to last for one to two years. The creation of a customised licence for each new deal can slow things down, while securing the agreement of all consortium members can be time-consuming. Deals also may stick on certain clauses – most commonly those relating to inflationary increases over future years, or the issue of archiving and back-file access.

However, the process is greatly expedited by the adoption of model licenses which are fast becoming the norm. The emergence of national and international co-ordinating bodies such as the International Consortium of Library Consortia (ICOLC) and its European branch (EICOLC) have also contributed to the development of standards and best practice in the area of consortial negotiation.

Libraries generally confirmed that the level of resources and effort justified the outcome: that the extra content they gained at considerably reduced cost were worth the investment of time and resource that went into the negotiation process itself. The only group of libraries to deviate from this position was non-academic library community, who, due to their special and sometimes complex needs, were less attractive prospects for publishers and were consequently served less well by consortial agreements.

For publishers, there have been challenges in adapting their organisational structure, operations, and sales strategies to accommodate consortial selling. The negotiation of licenses requires a

dedicated sales team who are able to devote considerable time and expertise to a one-to-one negotiation process, and new pricing matrices. A scalable platform that can support electronic hosting, access control, and deliver to a much-expanded user-base is also needed, as is the ability to track usage and cancellations against subscriber records. In addition, extra personnel in the form of administrative staff, library training, and help-desk support may be required.

There is wide variation in the extent to which publishers have adjusted their operations to compete within the emerging consortial license market. It is partly due to the challenges presented by this process that consortial negotiation has tended to favour the medium and large publisher to date. Not only are the larger publishers able to offer the whole-list deals that provide scalable collections for libraries, crucially, they also have the resources to dedicate to this intricate and time-consuming sales process.

New initiatives are now seeking to redress this imbalance and to help the small and the society publisher to participate. The U.K. Association of Learned and Professional Society Publishers (ALPSP), is considering the development of a multi-publisher consortium that would help bring clusters of smaller, society-publishers journal lists to market. PCG, the Publishers Communication Group, a subsidiary of Ingenta, has recently launched *Consortialink*, a service that similarly makes it possible for small and medium-sized publishers to participate in consortia negotiations via multi-publisher packages and centralised professional sales negotiation. Over 260 journals are currently included in the *Consortialink* package, giving libraries the opportunity to purchase titles from smaller publishers in a cost-effective and efficient way.

Several libraries offered examples of factors that had contributed to successful negotiations with publishers, which included:

- the ability to customise the language of agreements to the needs of consortial members
- a realistic view on the part of the publisher of the current economic climate for libraries (leading to advantageous caps on price increases and payment flexibility).
- a single contact in the publisher organisation who has the authority to negotiate and authorise needed changes to the publishers' standard license agreement.

- well-prepared, responsive, stable staff who understand the complexities of the business and communicate well amongst themselves within the company.
- regular, ongoing, and honest communication, with 'give' from both parties

Feedback was also solicited on the problems encountered by libraries in the negotiation process, which included:

- an inadequate and under-prepared sales force, which may lack understanding of library budgets.
- slow responses and lack of timely communication
- sales representatives who do not have authority to make decisions and are continuously having to go back for approval
- overly complex price structures; constant addition of new titles and 'deals'; pricing based on information to which the library does not necessarily have immediate access (e.g. holdings lists)
- pricing dependent upon the number of consortia participants, which makes costs a 'moving target', and makes decision-making about participation more difficult.
- changes in vendor contacts, and poor communication between vendor departments
- changes in corporate structure due to acquisitions, mergers and spin-offs.
- lack of accurate record-keeping by the publishers as to who is part of the deal and who is subscribing directly with them, accurate info on IP ranges, etc.
- no-cancellation clauses

Despite these drawbacks, libraries on the whole believe that the benefits of a centralised negotiation process far outweigh the disadvantages.

### *Advantages of the consortial license*

The Big Deal has clearly been successful on a number of levels. One of the major benefits of consortial licensing has been rapid and widespread penetration of electronic content, which has in turn stimulated increased usage of that content. Libraries have gained access to a vastly increased pool of content, users have benefited from access to a broader information resource, authors from greater exposure to their work, while participating publishers have reported dramatic increases in downloaded articles. The longer-term and more general benefits arguably mean an increased return on library investment in research resources, and an increased institutional capacity for research output.

Consortial participation has given the library community a more powerful influence on the market. Libraries of all sizes have the benefits of budgetary stability via price-capped, multiple year deals with agreed upon inflationary increases. Where average annual price increases for print holdings had been running at 16–22%, Big Deal annual increases have averaged around 6 to 7%. Access to increased content holdings has additionally resulted in some cost-savings in inter-library lending and document delivery, while the shift to electronic aggregations means that shelving and processing costs may also be reduced. Some consortia have also been able to take advantage of specialised servers and software provided by some Big Deal arrangements, and many have benefited from efficiencies in centralised license negotiations.

The small library has especially benefited from consortial licenses. One of the features of consortial licensing highlighted by Key Perspectives, was that this type of library tends to be the most reliant on the big deal to supply the largest part of its holdings and access, while larger libraries are still purchasing a relatively high proportion of content independently.

Participating publishers, too, have experienced many benefits. As well as the additional income consortial deals have provided, publishers have welcomed the opportunity to bank on stable revenue streams over a three to five year timeframe. Some have also introduced non-cancellation policies as part of the license terms, although such policies have not been popular with libraries.

Although they may initially have begun to offer Big Deal packages in response to competitor activity, publishers quickly discovered the advantages of step-increases in market share, as greater amounts of content were made available to a vastly expanded user base. Key Perspectives found that those that came early to market now appear to be enjoying first-mover advantages, having claimed a share of library 'big deal' budgets and established a consortial customer base consisting of many thousands of end-users.

### *Impact on usage*

One of the primary advantages of the consortial licence and the 'Big Deal' cited by participants is the impact this purchasing and access model has

had upon usage levels. It is generally attested that the availability of this extra electronic content has led to greater use. Participating publishers have reported dramatic increases in downloads, and such increase in usage is adduced, in turn, to lead to increase in citation, and ultimately protection against cancellation.

Don King's research showed that as a result of electronic availability and of increased efficiencies in automated searching, the average number of journals now used by scientists has increased to 20 journals per scientist, up from 13 journals per scientist 25 years ago. King's research also suggests that increased access to electronic journals may result in scientists reading from a broader range of journals and spending less time on each individual journal.

While this is not directly attributable to the 'big deal' and consortial licenses, but to general electronic availability of content, publishers report that journals which were previously not subscribed to by individual libraries experience usage when they are made available to that library's users via a consortial deal.

Although there is still some uncertainty over early usage data from consortia – with few consortia hosting data locally – it would appear that titles previously unavailable to users are accessed once made available in electronic form to a consortia user base. Data from OhioLINK suggests titles that were previously not subscribed to, often experience high access levels once made available as part of a 'Big Deal', particularly in smaller libraries (Diedrichs, 2001). While others have questioned whether peripheral titles do indeed experience *high* levels of usage (rather than low) it is nevertheless apparent that content, once made accessible, is used.

Evidence from CiBER's investigation into consortial licence user behaviour confirms that 'Big Deal' users take advantage of the greater choice on offer. CiBER's case study of the U.K.-based publisher Emerald's collection (formerly MCB publishing) analysed the behaviour of Emerald's big-deal users. The Emerald collection consists of approximately 44,000 abstracts of which 35,000 are available in full text, with an archive available for most journals going back to 1994. Using cookie references and IP identification numbers to distinguish 'big-deal' users from non-big-deal users, CiBER found that 'big-deal' subscribers accessed,

on average, more journals and articles than non-consortial subscribers.

According to CiBER's preliminary findings, the 'Big Deal' would appear to be working in two ways: firstly, individual users are viewing more journals. Secondly, the Big Deal package allows a greater number of people to use the service. On average, non-deal institutions subscribing to Emerald journals have about 2.5 users per institution, whereas Big Deal subscribers who have access to the complete package have around 26 users per institution. However, CiBER makes the point in their initial findings that further investigation needs to be undertaken into the practices of different types of users, and whether their needs are fully addressed within the Big Deal model.

### *Disadvantages of the consortial license*

Despite these many benefits to publishers, libraries and end-users, all stakeholders report that there are drawbacks to consortial licensing as it is currently practised. The fundamental question is whether this model is sustainable for the publisher or the libraries involved.

Although they have welcomed access to extra content, librarians are concerned that the all-inclusive nature of big deals means that low quality, inappropriate or low-usage journals are automatically included in their collections. This may in future mean that there is little funding left over after 'big deal' purchases to finance niche titles from other sources.

The library has an obligation to satisfy its users' requests for information: to satisfy current (and future) user demand, they have traditionally maintained core collections and title selection, archiving and collection development have been fundamental to the role of the librarian. The move to a leased-based purchasing model, the introduction of non-cancellation clauses, and the all-or-nothing nature of the consortial package, have negative implications for these activities and responsibilities.

Writing in *D-Lib Magazine* last year, this argument was cogently put by Kenneth Frazier, Director of Libraries, University of Wisconsin, Madison. 'Don't buy the Big Deal' Frazier warned, stating that: 'the push to build an all-electronic collection can't be undertaken at the risk of: (1) weakening that collection with journals we

neither need nor want, and (2) increasing our dependence on publishers who have already shown their determination to monopolize the information marketplace.' (Fazier, 2001)

There are also concerns that this purchasing model makes the big publishers even more powerful, with many of the smaller and society publishers have not yet entered into consortia selling left out in the cold, as consortia budgets become allocated to already-established players. Subscriptions to journals that are not part of consortia big deal packages may also become vulnerable to cancellation, as libraries become pressured into making savings elsewhere in order to keep up with payments to 'Big Deal' packages.

While consortia purchasing seems to have mitigated some of the steeper annual rises associated with the serials crisis, with annual increases kept down to agreed lower levels, there are nevertheless concerns about the impact bulk sales will have on the competitive publishing landscape, with publishers with the biggest lists looking set to dominate. These trends have informed the ongoing work of organisations such as SPARC, which are seeking to incubate competitive alternatives to current high-priced commercial journal programmes and digital aggregations.

There is also real concern within the library community about the absence of a solution to the problem archiving. Preservation and guarantee of perpetual access are needed, if libraries are to migrate to online-only collections of content in the longer term. While publishers also wish to find a solution to this problem, none has so far been forthcoming and it may be that a public sector solution will be needed to address this issue.

Publishers, too, have found problems within the current model, particularly those not yet participating in consortial deals. Some – often the small and society publishers – are only just beginning to put together packages for the consortial marketplace, only to find that they may now be left out in the cold, with budgets already allocated to established players. There is also concern amongst this section of the publishing community that subscriptions that are not part of consortial packages are vulnerable to cancellation drives, as libraries look to make savings from other budgets in order to continue to fund the big deals.

Some of the larger and already participating publishers also have reservations. While libraries

may be worried that the Big Deal brings an over-reliance on the publisher, publishers, too, are concerned that the Big Deal makes them overly dependent on large consortia and dangerously exposed to whole-list cancellations of a scale that would have a dramatic impact on revenue and market share.

The implications of price-capped deals and high levels of market penetration also mean that there are now more limited opportunities for future revenue growth for those publishers now dominating the consortia marketplace. They will either need to find new markets, or look to improve on the coverage and quality of their current offerings, if they are to achieve business growth over time.

### *Consortial market now evolving*

Evidence from the Institute studies suggests that after a period of rapid adoption, the market is now evolving. Although the majority of consortial deals are still in the middle of their contracted license periods, librarians and publishers alike think it highly unlikely that things will remain as they are and that consortia licenses will experience adaptation and development at the next stage of renewal. While the number of consortial deals may indeed increase in the future, these deals will not necessarily be 'Big Deals'.

There are several drivers for change at work. Firstly, the widespread take-up of consortial licenses by libraries in the past few years was in part made possible by the availability of extra funds. In many cases, this funding were provided externally (at state, national or regional level), or was made available elsewhere within institutional budgets. However, as licenses come up for renewal, it is widely anticipated that extra funds will no longer be available, and that there will be a general reduction in purchasing power within the library market. In order to finance 'Big Deals' as they are currently packaged, libraries may need to undertake substantial cuts within other budgets, potentially via wholesale cancellations of non-consortial subscriptions and further reductions in the book acquisition. However, with libraries already concerned that the all-inclusive nature of big deals may be damaging their collection-building role, many would prefer to protect funding for specialist and more marginal titles.

### *Improvements in usage data*

There is clearly a strong desire on the part of the library community to return to greater selectivity in title purchasing. Some libraries would like to see a move away from whole-list, all-or-nothing deals to license agreements that can accommodate more choice. Ideally, they would like to be able to take out subscriptions to high quality journals and other 'must have' content. Some libraries have suggested that journals bundled by subject would be attractive and more appropriate to their users' requirements. It is likely that consortia will be attracted to more flexible purchasing models that enable them to combine subscriptions to core collections of relevant content, with transactional-based payments for more occasionally used titles.

Faced with static library budgets and reservations within the library community about the value the 'big deal' actually delivers, publishers will need to innovate in a number of ways to maintain and grow revenues over time.

They may be prompted to consider unbundling some content from whole-list and 'big deal' packages – particularly lesser used titles, and experimenting with new pricing models which enable their customers to customise purchases to actual user needs. Some foresee a scenario in which hybrid purchasing models will emerge, combining consortial licenses with 'by-the-drink' and usage-based systems. The introduction of new transactional models could also help publishers to reach out beyond the academic market.

Publishers will also need to improve upon the coverage, quality and user-features of their current offerings, if they are to find additional income over and above that already committed by via price-capped agreements. It is possible that they may begin to explore co-operative ventures, supplying consortia with multi-publisher bundled packages of subject-based collections, for example.

Some librarians believe there could be more or a role for intermediaries in the future, with the subscription agent playing a critical role in selecting and cluster publishers' content on consortia's behalf. If the pattern of direct negotiation between publisher and library continues, however, there could be serious implications for subscription agents, who could eventually be disintermediated. This would also result in a loss of associated services and an increase in costs for libraries.

Usage data is another critical area highlighted for innovation and development. At present, there is wide variation in the usage statistics remitted to libraries by publishers and intermediaries. Only a minority of consortia which load data locally (OhioLINK being one) is able to analyse usage data closely.

All participants agree that there needs to be an improvement in the way usage of electronic resources is measured. While libraries need to gain more detailed information about how the content they have licensed is being used, publishers similarly would like a better understanding how the products they are selling are being accessed. Project COUNTER, a working group made up of many key industry players, is currently working on an internationally agreed Code of Practice which should pave the way for significant improvements in the consistency and accuracy of usage data.

These improvements will be fundamental to future innovations in purchasing models. Usage statistics are thought to be particularly critical to the formulation of new pricing strategies. There will inevitably be a move away from prices based on historical subscriptions, and both publishers and libraries alike anticipate that usage will be key in determining the value of content. We may see a growing sophistication in the services and tools offered to libraries to enable them to track and audit usage, with price points emerging based on different types and levels of use.

### *Conclusion*

Findings from the Ingenta Institute programme indicate that it is highly probable that the current consortial license model will undergo significant change at the next round of renewals, despite the many benefits the initial phase of adoption brought to all participants. With reduced spending power, consortia members will need either to make dramatic cuts in other budgets to fund future licenses, or else will need to introduce changes into the current model. This will, in turn, put pressure on vendors to adapt to new market realities.

While licensing activity itself looks set to increase, the 'Big Deal' package itself could be

broken down into smaller components. Rather than dedicating a significant proportion of their budgets to large collections of predetermined content, libraries have made it clear that they will prefer those deals that offer a core collection of high quality content, with the option to access more marginal titles on a more occasional basis.

However, it is also clear that consortia themselves are here to stay. Libraries now recognise that they can accomplish more by working together than they can individually. While the obvious benefits of consortial participation for many libraries have been advantageous costs and access to a wider range of full-text journals, new participants have also discovered related benefits, such as improvements usage terms, the sharing of information, a more thorough exploitation of technology, centralised promotional and training activity, and participation in consortia-wide trials.

Consortia themselves may evolve. Currently, the majority of consortia tend to be made up of a heterogeneous membership, often consisting of academic, public and special libraries. It has been suggested that consortia composed of libraries of similar type and purpose could prove the most successful in future, able to negotiate licenses for collections of content that are more consistently appropriate to their members' needs.

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It is also probable that joint licensing will lead to other collaborative activities, such as joint development of digital collections, the development of central catalogues, general resource-sharing, joint document delivery and inter-library loan systems, and shared storage. Libraries do not want to return to negotiating access to content individually with publishers and vendors. They recognise that they now have a more powerful influence upon the market, and that collaboration may be equally important for other strategic and operational activities.

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- Proceedings of the Ingenta Institute 2002. The full reports referred to in this article have been published as the Proceedings of the Ingenta Institute 2002, and are available from Kate Taylor, Ingenta PLC, 23-38 Hythe Bridge Street, Oxford OX1 2ET. Tel: 01865 799000 Fax: 01865 799111 [ingenta@ingenta.com](mailto:ingenta@ingenta.com)