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E-Books Across the Consortium: Reflections and Lessons From a Three-Year DDA Experiment at the Orbis Cascade Alliance

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ABSTRACT
For the last several years, the Orbis Cascade Alliance consortium has successfully run a consortium-wide demand-driven acquisitions (DDA) program to provide broad access to e-books. This program has ensured jointly owned and shared electronic books, secured core resources at a reasonable cost, and challenged the interlibrary loan prohibitions of e-book licenses. After three years of funding and managing the program, the Orbis Cascade Alliance experience provides lessons for operating at the consortium level. This chapter will describe the program and its history, provide an analysis of program data, and discuss the evolution of the program.

HISTORY
Since July 2011, the Orbis Cascade Alliance consortium has successfully run a consortium-wide DDA program for purchasing e-books. Designed as a method to share a core set of e-books collectively, this program facilitates access to about 17,000 titles a month and has purchased more than 1,900 titles in common for the consortium.

The Orbis Cascade Alliance is an academic consortium of 37 libraries in Oregon, Washington, and Idaho. Its members vary in size and type, with community colleges, small liberal arts universities, and large public research institutions on equal footing with one another within the organization. The Orbis Cascade Alliance’s 21-year history is steeped in supporting resource sharing through its Summit system. A shared catalog, a
shared courier, and a commitment to sharing physical items provided the foundation for fostering a variety of collaborative collection development initiatives within the consortium. The Alliance’s Collection Development and Management Committee (CDMC) led efforts to coordinate collections decisions across the member libraries. In the years just prior to the launch of the DDA program, it spearheaded several notable projects illustrating the consortium’s commitment to shared collections. One project, initiated in 2007, created a distributed print repository for journal titles held in JSTOR. This committed selected members to retain specific journals as a light archive, thereby allowing other libraries to withdraw their copies of the same journals. In 2011, this project formed the basis for the creation of the Western Regional Storage Trust (WEST).

Another CDMC project focused on reducing “unnecessary duplication” of new monographs. The committee established a voluntary maximum copy threshold for the consortium in 2010 (Collection Development and Management Committee, 2010). This policy’s goal was to increase the acquisition of titles not yet owned in the consortium without additional budget funds. In essence, the CDMC wanted to increase the availability of the monographic “long tail” within the consortium and facilitate cost-effective resource sharing of those titles through the Alliance’s Summit program. To establish the threshold of three copies, the CDMC worked with YBP, the Alliance’s preferred book vendor, to identify rates of acquisition for the consortium. YBP’s data demonstrated that the most common rate of duplication was four copies, so dropping that number would be a modest goal that focused the librarians’ attention on cooperative collection building.

The growth of member library e-book acquisitions and their attendant licenses prohibiting interlibrary loan presented a significant challenge to resource sharing. On the one hand, access to e-books permitted local student use at all hours of the day. On the other hand, those same resources could no longer be available to students across the consortium. As Jim Bunnelle noted, “Building up robust, locked-down localized e-book collections is totally counterproductive and hurts the Alliance’s consortial leveraging power” (Emery, 2012, p. 3). The Alliance’s governing council began planning for a method of sharing e-books across the Alliance in 2009 (McElroy & Hinken, 2011, p. 34). The planning groups evaluated purchasing models and eventually recommended the implementation of a DDA approach. In
2011, the council charged a new Alliance group, the Demand-Driven Acquisitions Pilot Implementation Team (DDAPIT), to “create an entirely new e-book purchasing model that allows consortium-wide access to titles purchased by individual member libraries” (Bunnelle, 2012, p. 24). Oversight was later transitioned to the E-Book Working Group. The council expected the Pilot Implementation Team to challenge the e-book acquisition status quo, expand access rights to e-books, and support an ownership approach.

PROGRAM OVERVIEW

The six-month DDA pilot launched on July 1, 2011, with a budget of $231,000 (“Demand Driven Acquisitions Pilot Funding,” 2011). The titles included within the DDA program were determined by a profile, administered by YBP, and provided on the Ebook Library (EBL) platform. The team selected EBL through a request for information (RFI) process in 2011. As McElroy and Hinken (2011) noted in their pilot summary, EBL had a proven DDA model, was currently in use by member libraries locally, and offered robust data for pilot evaluation. They worked well with YBP and had the best potential to work well with the Alliance (McElroy & Hinken, 2011, p. 38). The initial discovery pool included 1,700 titles with 2011 imprints from 12 publishers (Bunnelle, 2012). By June 30, 2014, the end of the consortium’s fiscal year, the Alliance had access to 19,000 titles, owned 1,771 e-books, and devoted $1,000,000 a year to the cost of the program.

The team partnered with YBP at the outset of this project because YBP’s profiling and GOBI3 acquisitions data provided ways to protect earlier efforts to foster collaborative collection development. For example, within GOBI3, member library staff could see whether a title they wished to purchase was currently included in the consortium’s DDA discovery pool. Additionally, YBP’s historical acquisitions data detailed rates of duplication across the consortium. This information proved helpful when negotiating the purchasing cost with publishers.

Content

Throughout the life of this program, the profile remained steady. All subjects from selected publishers were included. This arrangement allowed access to the diversity of titles needed by the Alliance’s liberal arts, professional, law, and medical communities. One significant change affecting the
discovery pool has been based on imprint date. The initial load of 1,700 titles included only titles from 2011. After the DDAPIT group observed the pilot’s slow rate of spending in late 2011, they added titles from 2009 and 2010. Conversely, in 2014, all titles published before 2012 were removed to compensate for the increased cost of short-term loans (STLs) in 2014.

A second change affecting the discovery pool was a change in the list of publishers in the YBP profile. During fiscal year (FY) 2014, the E-Book Working Group sought to address members’ requests for additional content in the discovery pool. The budget at the time allowed the team to respond to those concerns by adding six new publishers to the program. As of this writing, there are 18 participating publishers: ABC-CLIO, Ashgate, Brill, Cambridge University Press, Earthscan, Hodder Education, John Benjamins, John Wiley & Sons, McFarland, Morgan & Claypool, New York University Press, Oxford University Press, Pharmaceutical Press, SAGE, Taylor & Francis, the Policy Press, the University of California Press, and the University of Minnesota Press.

**Short-Term Loans and Autopurchases**

The Demand-Driven Acquisitions Pilot Implementation Team and EBL negotiated a flexible autopurchase trigger for the program that continues today. The team sets the trigger point as needed to respond to expenditures or meet purchasing targets. When the pilot launched, the trigger was 10 STLs before triggering an autopurchase. Since that time, the trigger has ranged from a low of five (to stimulate the rate of purchasing) to a high of 15 (to slow the costs of purchasing). The maximum purchase price was capped at $250 since the list price dictated the STL fees and the total cost of an e-book upon autopurchase. Each STL cost the Alliance an average of 14% of list price. The consortium paid five times the list price at the point of autopurchase, but then each title became available in perpetuity to all member libraries.

**Funding**

Participation in the DDA program became a requirement of membership; all Alliance member libraries contributed to a central fund that paid for the E-Book Program. During the pilot phase, the council assigned a tiered flat fee based on the size of the institution. The DDAPIT recommended and the council accepted a revised funding structure that assessed each library
a portion of the budget. The formula adopted split 30% equally among all member libraries, based a further 35% on full-time equivalent (FTE) enrollment, and based a final 35% on the materials budget.

PROGRAM EVALUATION

Over the last three years, DDAPIT and the E-Book Working Group relied on EBL-provided data to evaluate use and expenses. The E-Book Working Group also conducted routine surveys of the Alliance membership to ascertain their satisfaction with the program. These data allowed the group to respond to the needs of the members and recommend changes to the Alliance’s governing body. The E-Book Working Group routinely reviewed data both for the overall program and by library. At the programmatic level, overall data helped the group keep within budget and monitor the program’s return on investment. What follows are examples of how the E-Book Working Group used EBL’s monthly and annual data to evaluate the E-Book Program.

Use of the Collection

The team analyzed trends over time from EBL’s monthly and annual use reports. In general, total use has grown 83% from FY 2012 to FY 2014. The monthly use showed a continuous growth during the first year but definite cyclical trends in each successive year. Figure 1 shows spikes in use occurring during academic midterm periods of October, November, and April.

EBL tracked four distinct types of use: “unowned browse,” “unowned loan,” “owned browse,” and “owned loan.” A browse described a use of less than five minutes that did not involve any printing or downloading. A loan or STL either exceeded five minutes in duration or included printing or downloading. Of the four types of use listed above, only an “unowned loan” results in a charge to the Alliance.

One of the program’s specific goals was to increase consortial ownership of titles that member libraries’ patrons deemed useful as demonstrated by high use. The data suggest that the Alliance is meeting this goal. Ownership provides free transactions for all post-purchase use, which represents considerable savings if a title has long-term value to students and scholars. One method of evaluating whether the program met its goal is to review the number of owned uses over time, both as a total number and a percent of
Figure 1. Monthly use, FY 2012–FY 2014.

Figure 2. Type of use, FY 2012–FY 2014.
total transactions during a year. Figure 2 shows the comparative percentage of use by type and the growth of all owned use. In FY 2012, owned use constituted 23% of all use, but it grew to 41% in FY 2014.

The program’s overall return on investment increased over the three-year period. In each successive year, the E-Book Program saw higher use and costs. However, as Table 1 indicates, the increase in “owned loans” means that the cost per use declined over the three-year period from $4.91 per use to $3.64 per use.

**Table 1. Program cost per use, FY 2012–FY 2014.**

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<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use</td>
<td>102,912</td>
<td>155,672</td>
<td>188,534</td>
</tr>
<tr>
<td>Expenses</td>
<td>$505,338.45</td>
<td>$677,564.03</td>
<td>$686,360.97*</td>
</tr>
<tr>
<td>Cost Per Use</td>
<td>$4.91</td>
<td>$4.35</td>
<td>$3.64</td>
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*Does not include the cost of direct purchases.

Anecdotal evidence suggests that the Alliance preserved access to content and saved on STL costs through purchasing. Linda Di Biase (2014), the E-Book Working Group chair, reviewed the five titles with the most loans in FY 2014. Of those, three were no longer available from EBL for loan or sale. As purchased books, however, they remained available for use by the consortium’s patrons. Further research is needed to examine the return on investment for post-purchase use.

**Expenses**

In three years, the Alliance spent $2,085,783 on the DDA program. The cost per purchased title averaged $517 between 2011 and 2014, owing to the purchase multiplier of five. Including initial STLs in the cost figure brings the average total spent per purchased title to $1,016. The mean cost of an STL was $14.57.

The DDA program required considerable financial oversight to keep it under budget. Unlike traditional collection development where librarians spend against an established budget, DDA programs must estimate expenditures based on the size of the discovery pool, the potential cost of the
titles, and the rate of use. Larger discovery pools, higher average list prices of titles, and higher rates of use all drive costs up. The Orbis Cascade Alliance program observed each of these trends.

**Autopurchase Trigger**
When the pilot launched in July 2011, the DDAPIT had few models to inform its program. As a result, they kept the initial title pool small and made subsequent adjustments based on the resulting patterns of use and expense. The team agreed in September 2011 to lower the STL trigger from 10 to five to accelerate purchasing. They feared that the pilot would reach its expiration date without a purchase if left at 10 for the duration, and owning titles collectively was a primary goal for the project.

Since that initial pilot period, DDAPIT and the E-Book Working Group moved the trigger as necessitated by financial realities. At the close of FY 2013, for example, they moved the trigger from 10 to 15 to further delay autopurchases that would have put the program over budget. The trigger remained set at 15 STLs during the entirety of FY 2014, the third year of the program. It has been the only time that the trigger remained steady through an entire fiscal year. As a result, the Alliance reduced its rate of autopurchase for the year and spent more money on STLs than in previous years, as Figure 3 shows.

**Multiplier**
In consortium-based DDA programs, publishers charge a multiplier to the list price upon purchase. A multiplier of five is equivalent to buying five copies. Publishers viewed consortium programs as undermining the possibility of multiple local library purchases, so they wished to charge a fee that represented buying multiple copies consortially. In negotiations with publishers, YBP data proved essential to demonstrate the low rate of average duplication within the Alliance and reduce the final multiplier to five times the list price.

This multiplier makes consortial DDA a substantially more expensive project than when administrated at a single institution. Delaying purchasing by increasing the autopurchase trigger increased the overall cost of a purchased title because more charges would occur before purchase, but it reduced the frequency of those large budget expenses. Kari Paulson of EBL conducted a spending analysis for the Alliance to model spending in various scenarios. In that analysis, she found that the Alliance would own an
additional 2,982 titles if it kept its trigger steady at five STLs throughout the duration of the program, but it would have increased its total spend by 83% (K. Paulson, personal communication, July 26, 2014).

**Library Costs and Use**

Since participation is mandatory for all Alliance members, libraries want to see the DDA program serve their communities well. Most but not all libraries showed increased use (counting all use) over the three-year period. The median use per library grew from 1,522 in FY 2012 to 2,791 in FY 2014. Four libraries had more than 10,000 uses per year for each of the last fiscal years, which skewed the mean use for the consortium (see Table 2).

Although the overall return on investment increased over the three years, not all libraries enjoyed the same benefit. In each successive year, the governing council increased the program budget, thus increasing costs for each member library. Use also increased each year, but not at a rate that compensated for the council’s assigned contribution. Although the libraries’ mean cost per use declined from FY 2012 to FY 2014, Table 2 shows dramatic disparities between the maximum and minimum cost per use each year.
Table 2. Libraries’ use and expenses, FY 2012–FY 2014.

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</thead>
<tbody>
<tr>
<td></td>
<td>Total use</td>
<td>Total costs</td>
<td>Cost per use</td>
<td>Total use</td>
<td>Total costs</td>
<td>Cost per use</td>
</tr>
<tr>
<td>Mean</td>
<td>2,781</td>
<td>$12,833.00</td>
<td>$7.16</td>
<td>4,207</td>
<td>$25,814.92</td>
<td>$8.62</td>
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<tr>
<td>Median</td>
<td>1,522</td>
<td>$10,000.00</td>
<td>$6.12</td>
<td>2,361</td>
<td>$16,580.00</td>
<td>$7.06</td>
</tr>
<tr>
<td>Max</td>
<td>16,162</td>
<td>$30,000.00</td>
<td>$17.64</td>
<td>27,193</td>
<td>$130,074.00</td>
<td>$24.50</td>
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<tr>
<td>Min</td>
<td>0</td>
<td>$5,000.00</td>
<td>$1.52</td>
<td>510</td>
<td>$10,184.00</td>
<td>$2.99</td>
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These data substantiated private concerns that the E-Book Working Group received from member libraries regarding the cost and scope of the program. One library stated that it had to eliminate firm orders in order to afford its DDA obligations; another simply did not think the content suited its students well. In reviewing the data, the group also found many libraries had very low use compared to their costs even though they reported satisfaction with the program.

Responding to these issues, the E-Book Working Group recommended an adjustment to the program’s funding formula. Funding for the DDA program had evolved from a tiered approach in FY 2012 to the funding formula approved for FY 2013 and FY 2014. As mentioned earlier, the fee was assessed based on splitting 30% of the cost equally and then basing 35% on FTE and 35% on each library’s materials budget. Since the program showed growing evidence of use across institutions (and increasingly stable records management in the consortium), the E-Book Working Group recommended that the council introduce “use” as a component of the funding formula. The revised formula approved by the council called for 20% of the cost to be based on use, with the remainder divided into 20% of the total equally, 30% based on FTE, and 30% on budget.

**PROGRAM AFFORDABILITY**

The DDA pilot transitioned into a permanent program in July 2012 and received two years of successive budget increases; however, the council made it clear that the $1 million budget allocated in FY 2014 would not be increased again in the near term. This required the E-Book Working Group to consider the best sustainable solution to providing e-books within this budget to the consortium’s patrons over time.

The E-Book Working Group considered a variety of options to increase content, a primary request of the membership, while managing costs in FY 2014. First, EBL’s team presented alternative pricing structures. They suggested a limited use option, colloquially called the NovaNET model after the Canadian consortium’s pilot. This plan would have limited the number of post-purchased loans permitted without purchasing additional copies, reduced the multiplier for the initial purchase cost, and preserved consortial ownership. Another option included a shared pool of funding for STLs but local purchasing when an individual library reached a smaller autopurchase
trigger. The E-Book Working Group weighed these options as well as the possibilities of adding a subscription e-book collection or jointly purchasing a DRM-free e-book collection.

As the year progressed, the number of viable options shrank. Publishers rejected widespread adoption of the NovaNET model because it would have substantially reduced their revenue. The distributed purchasing option would have preserved shared access but undermined the concept of shared ownership. A joint direct purchase of e-book titles proved prohibitively expensive. All that remained in that moment was the addition of an e-book subscription collection available for the entire consortium.

This decision-making process coincided with a series of publishers’ STL rate increases that EBL began announcing in May 2014. Although the program had reduced costs by increasing the autopurchase trigger and was expected to end the year under budget, the rate increases projected overruns in FY 2015. The first set of publishers to raise their rates accounted for 81% of the titles and 91% of the STL charges in the Alliance.

The E-Book Working Group began planning to contain costs for FY 2015 by removing some titles from the discovery pool. In the course of evaluating titles for removal, the group analyzed the use of unpurchased titles. It selected 268 books that had 12 or more STLs at six or more libraries and purchased them directly from EBL. For the remaining titles selected for removal, the group provided use data that helped librarians identify titles that it might be useful to purchase locally.

**DDA Program to E-Book Program**

The moment served as a significant philosophical shift for the program from ownership to access. The titles selected for removal were all dated 2011 and earlier, which effectively turned the discovery pool into a frontlist purchasing tool for the consortium. Since the group had already started considering an e-book subscription, they recognized the value of the subscription as an affordable way to supplement the current collection with backlist titles from academic publishers. Further, an e-book subscription plan would add content from more publishers than were available to the consortium through DDA.

After comparing subscription e-book products and hosting informational sessions for consortium members, the E-Book Working Group recommended using DDA program funds to subscribe to an e-book collection
for the consortium. The council approved, and the Alliance finalized a subscription to ebrary’s Academic Complete in September 2014. Over the following year, the group will actively assess members’ satisfaction and use of the collection. This information will help inform future directions for the Alliance E-Book Program.

Lessons Learned
Over the course of the Orbis Cascade Alliance’s three-year experiment with a DDA model, the consortium successfully facilitated access to e-books at all 37 member libraries. Heavily used titles now belong permanently to a centrally owned collection, and some titles see significant post-purchase use. Owned book use will grow every year and improve the return on investment of the program over time. The program’s cost per use declined each year, but the data showed varying use intensity across libraries. As a result, the local cost per use varied widely and necessitated a change in funding structure to compensate.

Publishers viewed DDA programs like the Alliance’s as experiments of their own, which required modifications over time. The increased STL rates, the first significant response to declining publishers’ revenues, required adjustments from the consortium to manage the budget implications. The first step was the removal of titles, but future action may include dropping the maximum price per title, renegotiating the autopurchase multiplier, or diversifying the included publishers. More importantly, the DDA program as originally conceived evolved to include additional e-book acquisition approaches. Central direct purchases, local purchasing informed by DDA use data, and e-book access through subscription have proved valuable ways to complement the DDA program and provide additional content to the membership.

The E-Book Working Group will continue to evaluate and modify the Orbis Cascade Alliance’s E-Book Program to best serve the membership.

NOTES
1. Although not addressed in this chapter, the Alliance’s challenges with records management across the consortium are worth noting. Initially, each library used a record feed from OCLC’s WorldShare Collection Manager to import discovery records and update purchased records. This process was not uniform across
libraries, as some added only purchased records and others added all records. As the E-Book Working Group reevaluated the funding formula, the Orbis Cascade Alliance was in the middle of a consortium-wide adoption of Ex Libris’s Alma integrated library system and Primo discovery service. This centralized management of records eliminated discrepancies among libraries and created more uniform opportunities for discovery and use.

2. NovaNET is a consortium of academic libraries in Nova Scotia, Canada. When proposed, EBL consistently referred to the limited use option as the “NovaNET model.”

REFERENCES


