E-Book Models & Consortial Purchasing: Benefits & Challenges

E-Book Acquisition as a Shared Service in M25 (E-BASS25) is a JISC-funded project looking at patron-driven acquisition (PDA) of e-books within the context of consortial purchasing. This document seeks to analyse the benefits and challenges of utilising PDA as a means of acquiring content for a consortium of libraries.

Patron-Driven Acquisition Models

1. ### PDA Purchase

This is a straightforward PDA model which uses the available funds to purchase e-books based on demand from customers. A selection of available titles is agreed between the library/consortium and the supplier and MARC records are loaded in the library catalogues. Users have full access to the e-books.

Limited usage is allowed without charge, provided that it falls below the threshold for 'significant use'. If the user continues to use the book beyond this threshold then a purchase is automatically triggered and the library consortium pays the agreed purchase price for the e-book. The e-book then becomes part of the library consortium's permanent holdings subject to the usual limits on maximum number of users/uses that would apply under traditional e-book purchasing models.

This model represents patron-driven acquisition in its purest form in that purchases are driven by customer demand, and all the available funds go towards acquisition of stock to add to permanent collections.

Pros: *Your entire allocated budget will be spent on acquisitions to keep permanently.*

Cons: *Customers have access to a narrower range of content for your acquisitions spend compared to other models.*

2. ### PDA Rental

In this model the library consortium spreads the available funding more widely, agreeing to rent access to content up to agreed limits, before purchases are triggered. A selection of available titles is agreed between the library/consortium and the supplier and MARC records are loaded in the library catalogues. Users have full access to the e-books.

Limited usage is allowed without charge, provided that it falls below the threshold for 'significant use'. If the user continues to use the book beyond this threshold then a rental is triggered. For example, this may be charged at 10% of the list price for a one-day loan, or 25% of the list price for a

one-week loan. Further significant uses trigger further loans and payments, so if the e-book is used a second time, or by a second user, further fees are payable.

After a given number of loans, a purchase is triggered. If this happens then the library consortium pays the agreed price for the e-book and it becomes part of the library consortium's permanent holdings subject to the usual limits on maximum number of users/uses that would apply under traditional e-book purchasing models.

In this model, the library consortium allows its customers access to the full range of agreed titles and pays rental charges for access to a wide range of content. Purchases are only triggered for e-books receiving heavier use, so the same amount of money will allow access to a wider range of content than if it were spent on the PDA purchase model. However, the library consortium will not have as many books in the permanent collections as some of the money will be spent on rental fees.

Pros: *You only commit to buying books which have been accessed a number of times. Customers have access to a wider range of titles for your acquisitions spend.*

Cons: *You may spend much of your budget on rental fees and be left with few books in your permanent holdings at the end of the period.*

3. <u>PDA Usage</u>

This model makes use of 'micro-payments' to count up the actual use of the e-books in the collection, for example a charge per page viewed.

The library sets up a PDA agreement with a supplier to make a range of e-books available to users. Once the titles have been selected, the library makes the content visible and discoverable to users. Users have full access to the e-books. Each significant use of a book triggers a charge to the library. 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. 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.

This models means the library consortium pays for precisely the amount of content its customers use. The payments 'cap' at an agreed price for each title so the library can add to its permanent collections the titles which have received multiple accesses. Similarly to the PDA rental model, the library consortium uses the money to secure access to a wide range of content through micropayments, but the number of titles actually purchased can be low, as only a few of the titles in the collection receive enough accesses to trigger a purchase.

Pros: *The payment system is very fair and you pay for precisely what your customers use, no more, no less.*

Cons: *You may spend much of your budget on rental fees and be left with few books in your permanent holdings at the end of the period.*

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, which 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 and users have full access to the collection for an agreed period of time (typically as year). No further charges are made.

At the end of the agreed period, the library consortium is provided with usage data relating to the books in the collection. The libraries may pick which e-books they wish to buy, up to the value of the initial fee.

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.

Pros: *Your customers have full access to a very wide range of content for lengthy period. You can decide what to buy based on evidence provided.*

Cons: *This is not PDA in its purest sense as the librarian, not the customer, makes the purchase. There is an added administrative layer associated with making choices and analysing statistics. You are committed to a (potentially large) guaranteed spend with one publisher.*

Purchasing as a Consortium

The scope of E-BASS25 includes work to assess the practicalities of procuring e-books using the PDA model as part of a consortium. Here, we provide an overview of the main considerations to take into account when considering consortial procurement for e-books.

Benefits

The primary benefit of consortial procurement is savings generated through economies of scale. The most obvious way this is achieved is that the promise of 'bulk-buying' will normally mean cheaper prices from the supplier. Suppliers can reduce their sales and administrative overheads by organising one large contract for a consortium, and can pass some savings on to customers. Similarly, members of the consortium should make additional cost savings by saving their own staff time and effort associated with contracts, invoicing and administration. Furthermore, the PDA model should save time and effort in comparison to the cost associated with a customer placing a request with a librarian and this being processed by an acquisitions team.

Libraries have a history of collaborative working and undertaking PDA as part of a group of libraries can have knock-on benefits including allowing staff members to share experiences and develop best practice for the benefit of all members of the consortium.

A further benefit of consortial PDA is that with most models, all members of the consortium will have full access to all the titles purchased, so their readers will have access to the widest possible range of e-books.

Challenges

At present, the largest challenge associated with consortial PDA is that there are still only a few case studies available, and the consortia which have undertaken PDA exercised have been relatively small and made up of similar institutions.

Institutions considering entering into a round of consortial PDA should consider that in return for the savings to be made, each institution must give up a small amount of control and accept that a small percentage of the money they pay towards the deal will be spent on material their customers may not use.

Other challenges relate to the way the consortium is managed. A well-run, staffed consortium with an established history of consortial purchasing will encounter fewer problems than a new grouping of libraries with less experience and no dedicated staff resource.

The final challenge associated with consortial PDA is that if and when a deal using any of the above models comes to an end, all the records for the un-purchased e-books will need to be removed from the catalogues. This could potentially result in negative feedback as the customer perception can be that the library holds fewer books than it did when the PDA procurement was running.