

# Annual Report of the Ebook Working Group, February 2014

## Committee Members

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## Submitted February 14, 2014

### Executive summary of the recommendations

1. Continue the present DDA program with EBL for FY2015 while actively investigating alternatives.
2. Continue to fund the ebook program at \$1 million. Adopt the revised funding model of 35% FTE/30% materials budget/25% equal split and 10% use.
3. Explore ways to better integrate print and electronic collection development and management utilizing the capabilities of vendor systems in addition to Alma.

### Recommendations

#### **1. Continue the present DDA program with EBL for FY 2015 while actively investigating alternatives.**

Given the time investment required of library staff throughout the Alliance for Ex Libris pre- and post-migration work, the ongoing development of Alma, and the emerging nature of various opportunities to partner with new players, substantially changing the program before January 2015 is not recommended. However, the Working Group should seriously consider options to our current DDA program and be prepared to discuss these with the CDMC membership and Steering Team at the July 2014 annual meeting. Any recommendation for substantive change should be reviewed and endorsed by the Alliance Board and Council prior to adoption. (See "Alternatives to Current DDA Model")

#### **2. Continue to fund the ebook program at \$1 million. Adopt the revised funding model of 35% FTE/30% materials budget/25% equal split and 10% use.**

A steady-state budget will allow the current DDA program to continue without disruption while alternatives are being explored. The proposed funding model change will bring about more equity among Alliance libraries in their support of the DDA program, without causing undue hardship to those

libraries that will incur additional cost. (See funding proposal discussion in “Budget and Funding” and Appendix 1)

### **3. Explore ways to better integrate print and electronic collection development and management utilizing the capabilities of vendor systems in addition to Alma.**

Shared ebook collection usage data, combined with holdings and loan activity data mined from Alma, have the potential to be enhanced by vendor products such as YBP’s GobiAnalytics to achieve better collection development and management across the Alliance. While a consortial partnership with YBP to develop its analytics product may not be feasible at this time, it is possible that an individual Alliance library could serve as a test site for this or other products.

## **The DDA landscape**

In 2011 the Orbis Cascade Alliance made library news by pioneering a consortial DDA program with vendors YBP and EBL. In the intervening three years, as publishers, vendors, and libraries have gained more experience with patron-driven models, some trends have emerged. According to information shared by YBP at the 2013 Charleston Conference, and more recently in a meeting with the Ebook Working Group, many academic publishers (especially university presses) are not seeing a sufficient rise in revenues from ebook sales or short-term loans (STLs) to compensate for falling print sales. They are beginning to respond in one or more ways: by raising ebook prices or STL fees, by embargoing content from DDA programs (either by holding back more titles from DDA programs altogether or by delaying title releases into these programs), and/or by becoming increasingly cautious about consortial DDA programs, especially where the consortium has the power to adjust the purchase trigger.

While currently there are more publishers who wish to join our DDA program than our budget can accommodate, the winds of change are beginning to be felt. For instance, when ProQuest (the parent of EBL) began contacting publishers at the Working Group’s request to gauge their interest in a DDA program in which purchases would incur a lower multiplier cost -- for instance, 2 or 2.5 times list instead of our current 5 -- but would also be accompanied by fewer free annual loans, none responded positively. (The NovaNet consortium in Canada, which piloted this model in 2013, has suspended its program while the results are being evaluated.) We have also seen some content originally fitting within the price threshold needing to be removed from the program because of significant cost increases. As we seek to expand content offerings to make our shared ebook collection even more valuable for Alliance members, it will likely be necessary to consider alternative models to our current program, for if publishers will not play, we have no choice but to revert to the undesirable situation of individual libraries owning ebooks that cannot be shared with others in the Alliance.

## **Value**

The DDA program continues to be valued by libraries and their users. Nearly 88% of the respondents of the February 2014 Demand Driven Survey (Appendix 3) stated that the program is a success. They noted good return on investments and increasing diversity of available materials for their libraries and patrons

as their reasons. Among those noting that the program was not a success were some who felt that the collection was inappropriate for their users and they did not see enough use to justify their expenses.

Use reports show increasing use for every library except one between Fiscal Year 2012 and Fiscal Year 2013 (Appendix 2). The range of increase was 77% (Warner Pacific College) to 282% (Marylhurst). The University of Idaho joined the DDA program in mid-FY12, so its 720% use increase should be viewed within context. The cost per use also varies, with the lowest overall cost per use of \$2.89 per use by Portland State University and the highest of \$18.18 by Mt. Hood Community College. The funding formula proposal, described below, seeks to address this discrepancy. Record management practices and various uses of discovery services have likely affected access across institutions. With standardized management in Alma and discovery in Primo, each library will be better situated to provide equal access to patrons. The committee will continue to monitor use trends and the return on investment in each library. The survey results indicate how important this is to our members.

The Working Group made it a top priority in 2014 to expand the number of publishers included in the program. The 2013 member survey provided us a list of most wanted publishers from among the group that had already expressed interest in joining our program. Using title output and cost data generated by YBP, coupled with EBL spending projections, six new publishers that have been frequently requested by the Alliance membership were added in February. These include John Benjamins, McFarland, Morgan & Claypool, New York University Press, University of California Press, and University of Minnesota Press. The profiled content will have publication dates of 2012 or later. The results of the latest survey emphasize the desire of many members to see a growing number of university presses in the program. The Working Group will need to continue to explore alternatives that would expand access to university presses.

As the Working Group spent the year considering alternative DDA models, the philosophical question of favoring ownership or access as a consortium was routinely discussed. The annual survey solicited member opinions to describe their comfort with moving to a program that does not include shared ownership. The responses indicate more flexibility towards access-only, but members do not agree on this point with 48.5% very or somewhat comfortable with access-only and 37.2% very or somewhat uncomfortable (37.2%). Any significant changes made to this program will need broad consultation and agreement among the representatives.

## **Budget and Funding**

With a \$750,000 budget, the program ended the fiscal year in the black, aided by the November 2012 removal of most unpurchased content published before 2011 and also the raising of the purchase trigger to 15, where it has remained to date. At this time, with a \$1 million budget, we are somewhat underspent in comparison to last year, but we have opted to keep the trigger as is so that there will be consistency for budget projections. The new content infusion will undoubtedly raise expenditures; in addition there is a plan to preemptively purchase titles with high STLs generated by users in several libraries if the budget allows.

The Working Group is committed to ensuring that the Alliance receives the greatest possible return on investment with its shared ebook program. It has become evident that there is considerable variation among the individual libraries in cost per use, so to address this situation the Working Group recommends a modification of the current funding formula of 30% equal distribution/35%FTE/35% materials budget. The proposed formula introduces a new factor – use in previous fiscal year – which acknowledges differences in degree of patronage of the DDA program across the membership. The percentage of the formula which this factor comprises has been kept low at 10% in order not to disincentivize use. There have been downward adjustments made to the materials budget and equal split components which should help the smaller libraries with fewer financial resources. Several possible iterations of a four-component formula were modeled and the outcomes compared against this year’s assessment. We believe the proposed model of 35% FTE, 30% materials budget, 25% equal split, and 10% use improves equity while ensuring that no member library sees more than a 12% increase in its FY2015 bill. Assuming a steady-state budget of \$1 million, more than half the libraries will see a cost decrease using this formula.

### **Alternatives to present DDA model**

In November 2013 representatives of EBL/ProQuest presented alternative models for the Working Group to consider. One of these models, the so-called Novanet model described above, is not an option for us. Other possibilities are described below. The first two options involve ProQuest and its present constituent companies, EBL and Ebrary; the third option involves scholarly publishing aggregators whose journals are widely subscribed to within the Alliance. Only the first option is actionable immediately.

#### **EBL DDA program combining individual library ownership with consortial loan access.**

In this model the Alliance would continue to set the short-term loan trigger, but only when a given library’s users generated the requisite number of short term loans would the title be purchased. The library generating the use would pay for the ebook from its own budget at a single copy list price (no multiplier). Meanwhile, the rest of the Alliance would continue to access the title by drawing on a short-term loan pool funded by the consortial membership. If and when another library’s users generated sufficient loans to trigger a purchase, that library would also purchase its own copy. For widely popular titles, there might be several libraries owning their own ebook copy. The individually owned ebooks cannot be shared in the same way that our jointly purchased titles are shared; however, the user of a non-owning Alliance library perceives no difference and is able to access the ebook just as happens now with our unowned DDA titles. This model does not require publisher approval, so the potential DDA content pool could expand significantly. The Alliance as a whole would save money as it is only funding short-term loans. With this savings it could potentially supplement the EBL DDA program with another ebook option.

#### **Ebook package subscription.**

ProQuest is preparing a consortial quote for its Academic Complete collection. Since the quote has not yet been provided, whether or not this could supplement a consortial DDA program is not known. As with any subscription, a potential drawback is that if it were to be cancelled, access would cease and the Alliance would have no owned titles at the end of the day.

## Joint purchase of DRM-free ebook collections

JSTOR has shown interest in working with the Alliance, and Project MUSE may begin to work with consortia in the near future. A joint ebook purchase might be negotiated which would provide all Alliance libraries with DRM-free content. It is possible that some kind of patron-driven acquisitions feature could be folded into the program.

## Opportunities to integrate ebook program with wider collection management

In January representatives of ProQuest and YBP made presentations on new offerings that could provide data for collection development and management decision making. ProQuest described its collection analysis tool, Title Matching Fast, which would match Alliance libraries' ISBNs against the Bowker database to point out areas of holdings overlap; it could also be matched against the ebrary database to reveal ebook options that might be of interest to libraries needing to deaccession print to gain space. Use of this tool would be free. YBP described GobiAnalytics, a product scheduled to be released for individual library use late in 2014, and invited the Alliance to be a development partner. GobiAnalytics is intended to combine library usage statistics (both print and electronic) with YBP profiling descriptors to aid in purchasing and deaccessioning decisions. It will offer predictive analytics to help in approval plan adjustment and DDA title selection. Once it is out of beta development, there will be a charge for this service.

Until all Alliance libraries migrate to Ex Libris and the collection development and management potential of Alma is more fully explored, immediate action on these proposals is not recommended. However, they point to ways that our ebook program might yield data to assist in broader collection development and management of both print and electronic formats.

## Technical issues

The Alliance has continued to work with OCLC to improve the delivery of discovery records through the OCLC WorldShare Metadata Service (WMS). There were many kinks that had to be worked out when we first switched to WMS from WorldCat Cataloging Partners in the Fall of 2012. However, OCLC has worked to eliminate these problems, and at the present time the system is working reasonably well. There are still a few minor issues that arise from time to time; however, OCLC is usually fairly responsive in resolving the problems.

At present only libraries in the Shared ILS cohorts 3 and 4 continue to load these WMS records into their local ILSs. Cohorts 1 and 2 have migrated to the Shared ILS, and no longer load local records. The hope all along has been that the DDA records will only have to be loaded once for all Alliance libraries into the Network Zone of our Alma database and then maintained with new records, updates, and deletions by a single person for all participating libraries. There have been problems, however, with getting this loading process to work. Consequently, while libraries in cohorts 3 and 4 still have had access to all DDA titles through their local catalogs, libraries in cohorts 1 until recently only have had access through the Shared ILS only to those DDA titles for which they migrated MARC records from their previous ILSs into their respective Institutional Zones. (Patrons of all Alliance libraries would still be able to access all DDA titles through [summit.worldcat.org](http://summit.worldcat.org), which makes all of the Alliance DDA titles accessible by means of the WorldCat Knowledge Base.)

In January, however, soon after cohort 2 completed their migration, Bob Thomas successfully created Bibliographic records and portfolios in the Alma Network Zone for nearly all current DDA eBook resources, including January 2014 updates through and including the update files of January 18, 2014. The only exceptions were four records (all unpurchased titles) which Alma refused to load. A Salesforce case has been submitted for this. Consequently libraries in cohorts 1 and 2 should again have access to all Alliance DDA titles through the Shared ILS, as should libraries in cohorts 3 and 4 after they migrate.

Once these records and portfolios were created in the Network Zone, there were still some remaining problems. These had to do with broken links and with DDA titles being represented by two records in Primo. Both of these problems were fixed by ExLibris on January 26. After testing it was determined that it would be safe for cohort 1 libraries to remove any DDA records from their Institutional Zones that had been migrated from Millennium.

One additional problem is that the identification of purchased vs. unpurchased titles up to now has been facilitated by the presence of a special 740 field in the WMS DDA records. However, these fields are eliminated whenever a DDA record is overlaid by an updated OCLC record in the Network Zone. The portfolios associated with a purchased title do contain an Internal Description field which identifies the title as having been purchased. But unfortunately there is no way for Alliance member institutions to view portfolios in the Network Zone. Thus at present there is no way of determining which titles have been purchased other than by consulting the spreadsheets maintained by Kathi Fountain which contain that information. It is hoped that a solution to this problem will be found.

Bob Thomas has up to now been announcing the availability of new, updated, and deleted WMS records, which are still being loaded by cohort 3 and 4 libraries into their local catalogs. Recently Bob turned over this task to Linda Ackers of Lane Community College. Linda will continue performing this task until all cohort 4 libraries have migrated. Bob also plans to turn over the maintenance of DDA records in the Network Zone to someone else, presumably someone on the Alliance staff.

In February, 2014 several new publishers were added to the Alliance DDA program. A backfile of over 1600 records for titles from these new publishers going back to 2012 was produced by OCLC and was made available to the Alliance.