

# THE EFFECT OF SERIALS PRICES ON INFORMATION PROVISION

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*Paper given at the 16th UKSG Annual Conference, Southampton, 22-25 March 1993*

## Introduction

In his introduction to the Conference Albert Prior suggested that many of the speakers were acknowledged experts in the field. I am one of the few not to be so. One of the few also, in the sense that conferences of this nature need at least one Luddite or cynic, who actually believes in the future of the journal as we know it. I can remember the promised microform revolution and the promised paperless office that has actually led to nothing but paper. I suspect the same might be true of the promise of the electronic journal! Technology overexcites the imagination. What is possible is not always viable or acceptable. That is why I am still interested in pricing issues which affect the traditional journal.

I became involved in this work for two reasons. Firstly, the SCONUL Advisory Committee on Serials, in attempting to understand the pricing policies of publishers, was seeking justification from publishers for price rises of unacceptable proportions. As a member of the committee, I, along with other members, was invited to suggest titles that might fall into this category. The presumption was that year-on-year percentage increases would form the basis of such judgements. At the same time I was being invited, in my own library, to suggest at what level I wished to set parameters in our automated serials module that would alert me to unacceptably high year-on-year percentage increases. Should it be greater than 10, greater than 15, greater than 20 percent or what? The unspoken assumption was that titles falling into such categories would be candidates for cancellations exercises.

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Thinking it to be a relatively minor task, I volunteered to check out the approximately 30 titles suggested to the Advisory Committee before it committed itself to paper. It became obvious from the start of this checking that you cannot make simplistic judgements on the basis of one set of figures. You need to know what is being evaluated. What follows are observations - they are not research findings. There are few comparative tables and statistical calculations, even though we live in a climate where league tables are the politically correct flavour of the month. No titles, publishers or libraries are identified. Nor am I going to deal with the iniquities of publishers, singly or collectively. There is no need to be provocative or aggressive. We, librarians and publishers, need to talk to each other, not at each other.

## General Observations

In the end I looked at 81 titles which had been suggested to me as being candidates for closer inspection. These were not necessarily the titles at the top of the list of year-on-year percentage increases in league tables produced by subscription agents. Rather, they were titles thought by librarians as requiring price justification for whatever reason. Publishers' justifications for price increases - increases in the number of pages, increases in the number of issues, currency fluctuations - needed to be looked at.

It was not, however, possible to look at the effects of harmonisation of prices across the EC, at the effects of the downward spiral of circulation figures, or the impact of document delivery etc., which are other reasons given by publishers for significant price rises. No attempt was made to make comparisons between journals on page

costs, nor to measure impact by citation analyses, nor to question the publishers' pricing models on which the baseline price for a journal is calculated.

It very soon became clear that a percentage increase in price for one year compared with the previous year is totally unreliable as a performance indicator on its own. Yet, how often do we hear, "This title is going up by 40% next year!", and how often is such a statement used as a criterion for cancellation? The unreliability of this performance indicator stems from the fact that you have to wait 12 months to see whether there was justification for the increase, in terms of the amount of information communicated. Crudely, how many pages are there and does the increase in their number justify the price rise in some way?

Sometimes publishers produce an extra volume to reduce the backlog of papers to be published. This may be reflected in the subscription for the year in which the extra volume was published or it may be the reason for an increase in the following year as the cost of the extra volume is recouped retrospectively. Whilst this is reasonable, the question has to be asked, "Does the price come down again to the base level in subsequent years?" This is why it is necessary to observe price fluctuations over several years, not just year-on-year, in order to make meaningful judgements on a particular title.

Additional complications, which require a longer term view, arise from prices covering periods shorter or longer than one year as subscriptions are brought onto a calendar year basis for either the subscription itself or for publication patterns. Similarly, the justification for price rises resulting from the effects of announced changes in frequency of publication or of paper size cannot be gauged in advance.

The lesson to be taken from this is: do not rush to damn the publisher solely on the evidence of an announced price rise for next year. A price held, or subject to only a modest increase, could equally hide a decrease in the number of pages but this is not condemned in advance. For any given title it is better to observe a context of trends over a number of years in order to determine what is reasonable and justifiable. The period of this study was the five years from 1988 to 1992.

## Specific Observations

### Frequency

In four of the 81 cases studied it was too difficult to relate the publication pattern to subscription years and payments made. In two other cases the 1992 parts/issues were so long delayed, even in March 1993, that these titles could not be considered. With the remaining 75 titles the most common trend noted was a change in the frequency of publication, either parts per year or volumes per year, within the five-year period. 30 of the titles had increased their frequency once during this time; seven had increased frequency twice in the five years; one three times and two four times.

Only one title reduced its frequency of publication once and two had reduced frequency twice during the period. Two titles had added an additional title to the subscription package. One of these was, indeed, included in the price of the 1992 subscription but no additional title was published until 1993. However, the 1993 subscription price had been reduced significantly! Any price per page calculations for this title will have some interesting variations.

There has also to be a note of caution. Frequency changes can hide little or no change in the number of pages published. In this sample 66 titles had increased the number of pages over the five-year period; two had remained constant and 11 had decreased the number of pages published. Of the latter, five were due to a change to a larger page size.

This increase in the number of pages published had led me to wonder cynically, whether, were I a publisher, I would be asking myself the question: "if extra pages are to be published, is it better to increase the size and cost of the established title on the grounds that, once a library is a subscriber, it is more likely to continue to pay the extra cost than it would be to take out a subscription to a new title, which might otherwise be created by splitting the original one into two?"

### Price

When we talk about unacceptable price rises, we usually mean subscription prices. We hardly ever check the cover price. Can publishers be blamed

for exchange rate fluctuations? Sometimes subscription prices fall because of these fluctuations but do we complain then? In this situation we have to take the rough with the smooth.

In looking at subscriptions paid I was able to use data from nine libraries. Where the cover price was in sterling, generally - though not universally - this was the actual price paid. When foreign currencies were involved exchange rates for the September/October period of the previous year were used (on the grounds that that was when we mostly paid for our subscriptions). It appears that for cover prices quoted in German marks (DM) you were better off paying bills in sterling rather than DM

since more favourable exchange rates seemed to be in operation. However, if the cover price was a US dollar one, then paying in US dollars, rather than sterling, would have been more beneficial. Perhaps that is why one publisher has moved from pricing in DM to pricing in sterling!

Of course, such observations can only be retrospective over a period of time and may have no validity at all for the future.

No discernible difference was noticed between learned society publications published by the society, society publications published by commercial publishers on their behalf, or commercial publications, in terms of price changes over the five-year period. This seemed to be in contradiction of the assumed wisdom that learned society publishers were in some way "better" than their commercial counterparts.

In six cases the publisher of a title changed during the period. In two cases this resulted in no significant price increase but in the other four there occurred what can only be described as a price hike. Significantly, in most of these cases no cover price was printed in the journal after the takeover. At the end of 1992 the absence of any

quoted cover price was noted in eight of the 81 titles. Some of these points are best illustrated in tabular form.

**Table 1 - Percentage increases 1988-1992**

Journal	Cover Price	Subscription	Pages
A	137.40	137.40	164.7
B	119.00	126.00	118.0
C	38.40	85.70	55.0
D	80.40	140.00	110.4
E	87.00	147.60	93.5
F	150.00	228.00	153.0
G	---	164.30	151.5
H	78.60	78.60	-28.0/+7.0
I	139.60	139.60	-5.0/+42.7
J	428.40	428.40	332.8
K	---	123.00	-28.0
L	243.60	231.30	14.2
M	---	367.30	114.6
N	273.90	273.90	-15.6

Table 1 shows the variation over the period 1988-1992 in cover price, subscription price and the number of pages published for 14 of the titles surveyed. Journal A has increased in price by 24% per annum over the five-year period but the number of pages published has increased at a greater rate. Effectively in units of information published this title has decreased in price by 7.7% per year. Journal C had the lowest cover price increase, 8.46% per annum, over the five-year period but the subscription price was somewhat higher. Journals H and I illustrate titles where page size changed. Although there was a decrease of 28% and 5% respectively over the five-year period in the number of pages, there was an increase of 7% and 42.7% respectively in the page area because the page size increased. Journal K increased in price by a total of 123% over the five years at the same time as the number of pages published decreased by 28%. Finally title N increased by 39% per annum in price over the five years during which time the number of pages published decreased by 15.6%. The price increase taking this into account is effectively 40.5% per annum.

This raises questions as to what is justifiable and, indeed, what do we mean by high or exceptional price increases? In the debate about such matters it is for you to judge whether figures like these indicate that (some) publishers have a case to answer. What is excessive? What should we consider in this context - cover price rise,

subscription price rise, price per page, price per unit area of page or per 1000 characters? There is no consensus on this and this is part of the problem. All I know is that librarians have a feeling in their bones, when they see figures like the ones I have quoted, that there is something wrong.

**Table 2**

Year	Library A	Library B	Library C
1988	432.27	411.50	---
1989	444.65	448.00	427.54
1990	590.03	614.10	562.26
1991	1008.19	1001.98	900.71
1992	884.45	873.58	---

Table 2 shows the price paid in sterling by three libraries for a particular title over the five-year period. The variations are quite marked and show one library paying as much as 8.4% more for the title in one year.

**Table 3**

Year	Library A	Library B	Library C	Library D
1988	172.98	170.00	138.00	---
1989	203.50	200.00	190.00	200.00
1990	244.20	240.00	190.00	240.00
1991	551.14	537.93	511.00	537.93
1992	371.39	365.00	---	---

Table 3 shows a similar situation to that in Table 2 but in this case the price paid for a title by four libraries over the five-year period. The variations this time are as high as 20% but the point to note is that libraries B, C and D all use the same subscription agent!

**Table 4**

Year	Cover Price	Library A	Library B	Library C
1988	95.00	104.50	105.45	---
1989	95.00	104.50	96.90	---
1990	120.00	132.00	122.40	---
1991	135.00	148.50	136.35	148.00
1992	260.00	286.00	260.75	286.00

Table 4 simply illustrates the variations in subscription price paid by three libraries for a title published in the UK whose cover price was quoted throughout in sterling.

### Miscellaneous observations

Where offered, two-year subscriptions are usually better value than 2 x 1-year subscriptions, though there was at least one case where the reverse was true. However, perhaps the fluctuating pound has made publishers wary because some are discontinuing published offers of such two-year prices. Alternatively, it may be because, in the past, surprisingly few subscriptions have been paid for in advance in this way. Multiple subscriptions to the same title, though not significant in number in this sample, do not seem to have attracted discounts.

The decline in funding in universities is a continuing fact of life and this inevitably has an impact on libraries. Continuing inflation rises above RPI in periodical prices, and the decline in the pound following its departure from the ERM, mean that many libraries will this year be undertaking quite significant cancellations exercises. In that climate one would have expected publishers and agents to be competing for our limited funds rather than justifying rises in their prices/charges.

In recessionary times everyone else seems to be reducing prices in the face of declining markets, cutting costs and labour forces and no doubt these latter, unpleasant actions are being taken in publishing. But in the shops I see prices held for six months, three for the price of two, interest free credit, buy now pay later, sales, etc. Perhaps publishers and agents ought to get together on commercial exploitation to retain our business - or is publishing not in recession?

Obviously, it is not just the price of periodicals but the inadequacy of library budgets to cope with more and bigger journals that needs to be addressed. In the end it does not matter why the price has gone up, whether for legitimate, justifiable or other reasons, because cancellations will still have to be made. But on what basis should those cancellations be made?

Some might suggest the targeting of specific publishers but in so doing you could easily cut off your nose to spite your face and lose essential titles. Others might suggest cooperation between institutions to retain as wide a range of titles as possible - but this at a time when institutions are getting increasingly more competitive not cooperative. There will be still others who will

draw up their cancellations lists on the basis of titles over a certain price threshold or over a certain percentage increase in subscription cost. However, as can be seen from observations in this paper, this must be done with eyes wide open and with data from more than one or two years.

Educated, not emotional, decisions are needed.

If gut reaction to announced moderate to high subscription rises is not an entirely reliable guide for cancellation, what is? Should it not be price/page in absolute or comparative terms, i.e. value/page or better still value for money? Could we all agree on what value is?

Is there, for instance, any value in the increased number of pages? An increased rejection rate of papers is only an answer if all publishers do it - and there is little hope of that! Peer review is effective but persistence will get most things published, if not in the journal of first choice. Quality versus quantity arguments must come more and more to the fore in academic promotions, appointments etc., even though funding councils assert that quantity is not taken into account in research selectivity judgements. Librarians, in particular, must hammer that message home to those that matter.

Value must have something to do with usage. Although we spend large amounts on periodicals, we still have very little knowledge about how they are used. As librarians, we need to have a better understanding of the use made of the titles in which we invest, if we are to make the best use of our expenditure. We have not yet found ways of adequately measuring use but this ought to be another factor, and a major determinant, in our cancellations decisions. Nor is it overall usage that we need to establish but usage per article, if we are to prepare for the electronic future of document delivery.

### Conclusions

To return to the title of the paper, the effect of serials prices on information provision used to be the reallocation of resources, i.e. spending more on periodicals and less on books. For many libraries this is no longer a valid option. Books are fighting back! Taking out no new subscriptions but trying to maintain a constant basket of periodicals is also no longer an option for many. Research changes and selectivity

dictate that new areas must be represented and the re-balancing of subscription lists must occur. The effect therefore is the inevitability of periodical cancellations.

Cancellations only diminish our institutions' research and teaching capabilities (or so we like to believe). We need to be looking at obtaining information more economically and cost effectively, if we are to redress this situation. How this might be achieved is the subject of other papers - whether it be electronic journal publishing or single article purchasing - but at the prices currently being talked about, we will have to ask if these really are cost effective alternatives. Staying as we are, however, is not an option.

As with traditional serials, the value of the electronic alternatives will depend on the

economic models and pricing mechanisms developed for their exploitation. Do librarians know what they want to be pressing for in such considerations or what our users want/need or would accept? We, librarians and publishers, need to get these things right now, if the electronic future is to be priced correctly. We need to be working together and jointly addressing these issues now. Publishers and librarians are both concerned with dissemination of information and knowledge. We should both have real concerns about the future of scholarly communication and information provision. Co-operation, not antagonism, is essential and what better place to start than with pricing.

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