

NEW INTERMEDIARIES, OR THE OLD INTERMEDIARIES IN A NEW GUISE?



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The future for publishers and librarians in the academic world can be bright, but only if they change their current approaches. New agents and aggregators are introducing new ways of providing information that challenge the traditional system. Publishers and librarians must react by revising their thinking. In particular, new financial models and new attitudes to users' needs are required.

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New intermediaries and old

Publishers, librarians, agents and aggregators are all in the midst of great changes in our professions. Very often these changes loom large in our minds as threats, and changes in the world of information have led, and will lead, to insolvencies and redundancies in both the public and the commercial sectors. Librarians lose their jobs as well as publishers. Equally, however, times of change create opportunities as well as threats, and my purpose is to explore how we can turn as many threats as possible into opportunities. There will be times when a librarian's opportunity is a publisher's threat, and vice-versa, but essentially we are all in this together, peering through the fog for a glimpse of sunlight, and hoping that we do not stumble and fall before light dawns.

The wonderful invention of the Dewey classification system enabled librarians to offer a user-friendly service and thus increase dramatically the number of books loaned. Today we have the wonderful invention of the Internet, which enables librarians to offer a user-friendly service and thus increase dramatically the number of information units used. I apologise for the use of this ugly term "information units", but as yet we have not found words as expressive as "book" or "journal" to describe the way in which information will be packaged or accessed over the networks. The underlying message is that improvements in information provision lead to an increase in the use of information, to the benefit of most of us who are information intermediaries. I am careful to say "most of us" rather than "all of us", because I repeat my message that there will be casualties. But for publishers and for librarians who take the right decisions there is a good future.

Why am I so optimistic? The reason is that people are hungry for information, and while people are hungry for information there is work for information intermediaries. The aim of this paper is to explore who will be meeting this demand for information and how they will be doing it. Will the traditional intermediaries between user and information have a role or will we be forced out of business by new intermediaries? Many new dot.com companies are in the information business. Some of these new kids on the block pose a threat to traditional intermediaries. Librarians should keep a close eye on those companies which are starting to offer text and images to undergraduate students. They could compete with the traditional library service in some universities. You can imagine a bright young vice-chancellor asking whether the provision of teaching packages over a network could be out-sourced to one of these companies at less cost than maintaining a traditional library. Or a university may be tempted to recruit more students by cutting its fees at the expense of library provision, leaving students to purchase teaching packs direct from an Internet company. The big advantage such companies have is that they provide information targeted to specific needs and do not have the overheads of large buildings and many staff.

Traditional library services offer a wider range of publications to undergraduates, and this has been a strength of major libraries. However, in a world where new competitors are emerging, the size of library collections is becoming a weakness as well as a strength, because of the high cost involved in maintaining large collections. Large collections require large buildings to house them. The cost of maintaining and staffing traditional library buildings will increasingly feel like a lead-weight dragging down a librarian swimming in electronic waters, and, if library buildings continue, they will have to become a positive aid to electronic developments rather than a hindrance. Librarians dare not calculate the true cost per use of their libraries. It would frighten us if we calculated cost-per-use including the capital and maintenance cost of a library building. In order to beat the competition we have to learn that smaller

collections are not a sign of a poor service, provided that they are tailored to the needs of users much more closely than they are at present. Traditional library services have been based upon an anticipation of users' needs which has been very hit-and-miss.

The new information-content companies will not be able to afford to licence material that is not used, and will therefore be much more ruthless than libraries have been in discarding unused content. Libraries will also have to adopt this leaner, hungrier approach if they are to turn the threat of competition into an opportunity. For there are opportunities for libraries in this new world. Librarians have a long tradition of public service which will continue to be required. We have skills in handling information which will add value to the work of efficient, but impersonal, search engines. But we will have to abandon the mind-set which sees information in terms of physical objects linked to a physical location.

Publishers should not feel smug at this point, because you will have to face up to equally radical changes. The new ways of accessing content present a major threat to your business. Look first at the ways in which undergraduates will access teaching material. Instead of buying a textbook and reading only one or two chapters, they may obtain those chapters from one of the new companies or from an academic web-site. Although the new content companies will be licensing text from publishers, it will be on a far more selective basis than students or libraries purchase at present. The present financial model for academic publishing works because libraries and students buy far more text than is ever read. If undergraduate teaching packs are provided by a new dot.com company, there will be no excess provision, no mustard left on the plate. You may of course increase the price you charge for the small quantity of material that is licensed, but what is involved here is more than a simple increase in price. This requires a new business model, a new pricing structure. And the danger for you is the same danger as librarians face, that the cost of your infrastructure will leave you looking very expensive by comparison with new content providers. Equally, there are opportunities for publishers in this environment, if the mind-set can be changed from "big and

expensive" to "small and cheap". Commercial growth will come through a greater number of accesses to smaller chunks of information. All the evidence from the use of electronic content is that an electronic copy receives much heavier use than a paper copy, but in smaller units, and therein lies an opportunity for publishers.

New models

The biggest income to publishers from content that is never read has come from research publications. We may disagree about how many journal articles remain unread but I believe we could all agree that it is a significant number. Under the present financial model, the cost of those unread articles is borne by libraries, and the shift to electronic publication provides an opportunity for libraries to pay only for content that is used. We believe that the "all-you-can-eat" deals offered by some journal publishers are designed to perpetuate the old financial model and we do not think that situation will survive much longer. One good feature of the "all-you-can-eat" deals is that they have demonstrated users' appetite for information. Journals a library would not have subscribed to individually have been used under such blanket purchases simply because they were available. However, even allowing for such unexpected use, many librarians have concluded that such blanket purchasing cannot be afforded, and they are looking to direct their funds not only towards titles for which there is proven use, but also towards particular journal articles. This is not document delivery on the old model of meeting fringe use, but a new way of meeting core use. The aim is to purchase more of the information users need and less of the information users do not need.

How will publishers react to this situation? I can see both threats and opportunities. The threat to publishers in this situation is that universities decide they cannot afford to buy journal articles that are never read, and encourage academics to publish on university web-sites or in e-print servers. Such publication outlets will allow libraries or end-users to download only those articles they really need without purchasing the articles that are never read. The reason universities have not taken this route before now

is because provide universities with an excellent quality control system. Publishers do not need me to tell them that editorial boards are their strength. It is not impossible that funding bodies could set up their own editorial boards to provide quality control for publication on e-print servers or university web-sites, but it is recognised that such a radical move is not to be taken lightly. Most academic organizations would prefer to keep with the present structure – unless the present structure becomes so expensive that it has to be changed. We have not reached that point yet, but I do believe that we are close to it. We are looking to see how publishers react to the situation. If publishers continue to offer "all-you-can-eat" deals at an inflation increase greater than the increase in university grants, even excellent quality control will be seen to be a luxury that cannot be afforded. At the same time, if publishers are able to package their content to meet real need, accepting that less may be good, their role in ensuring quality control is strengthened rather than weakened. The less material that is channelled into formal publication, the more important the quality control service provided by publishers becomes. A mixed economy of informal and formal publication could meet the need for certification of quality at an affordable price. The role of e-print servers will certainly grow, but there will still be a need for some traditional journals as the publication of record.

The challenge to publishers is to devise new financial models which satisfy both shareholders and customers. It is clear that such new models have to be related to use in some way. The new models that are emerging at present are related to anticipated use rather than actual use – for example, relating price to the number of potential users. This may be done by incorporating into the pricing formula the number of FTE students and staff in a particular university, either as a real number or through banding of real numbers. Related to this kind of model is the Carnegie classification type of model, although that type of model is based more upon ability to pay than upon numbers of users. I do not wish to criticise such models, because for certain products they appear to work well. They give publishers a predictable income and they give libraries the feeling that price is being linked to use, albeit

very crudely. The problem with such FTE-based models, however, is that many students and staff may not use a particular product. As we develop more sophisticated usage statistics, there will be pressure upon publishers to agree to pricing models which reflect actual use rather than potential use. Any new pricing model must be easy and cheap to administer. One way in which this might be achieved is by agreeing a price based upon potential use in year one of a deal, and then modifying the price in year two according to actual usage in year one. Clearly, this introduces a major element of risk into the pricing model, but it is a risk which is faced by both publisher and customer. Publishers may find that their income slumps in year two because use in year one is low, or alternatively libraries may find that their expenditure rises in year two if use is higher than anticipated. Are publishers and universities prepared to accept those risks? I have to leave that as a question to which – frankly – I do not know the answer, but the question will have to be addressed if we move towards usage-based pricing. And if we do not move towards usage-based pricing, both publishers and librarians may find ourselves forced out of business by the new intermediaries who will tailor information-supply to users' needs and price directly according to use.

User needs

As well as devising new financial models, we also have to face up to users' needs for new packaging of information. Only a few years ago, it seemed as though libraries were coming to grips with the electronic revolution faster than publishers. We had automated systems up and running in libraries and we were urging publishers to make full-text available electronically. Now my feeling is that the pendulum has swung to the opposite side, and it is publishers who are making the running, particularly in the linking developments. It is not the systems that are lacking in libraries. Most academic libraries in the developed world have systems which deliver electronic full-text to the user's desktop. Rather the problem libraries face is that they have structures designed for the age of paper. By "structures" I do not only mean buildings. The historical legacy of libraries goes

deeper than the buildings we have inherited. Picture it like this: a librarian wears a coat which can be worn inside out to give a completely different image. At the moment, the coat is being worn with the paper image on the outside, so that is what you mostly see. There is an electronic image on the inside, but it is only when you turn the coat inside out that it really becomes the dominant image. Library strategies need to be turned inside out to take advantage of the new electronic services. Libraries are structured around collections, around ownership, whereas the electronic world is about access, access to a far wider range of material than can ever be owned. As yet, we have not come to terms with strategies based primarily upon access. Such strategies will have to include archiving so as to provide access for future generations, but with fewer libraries than at present identified as archive repositories. A further change that will affect us all will be the power of the consumer. At present, the consumer has little choice. If you live in a certain town, you use the library in that town, for good or ill. The Internet gives the consumer of information a world-wide choice. This is also an opportunity for enterprising libraries to provide the consumer on the other side of the world with access to information – of course, with appropriate recompense to the rights-owner and with appropriate safeguards to prevent piracy.

The copyright issue is one which illustrates very clearly the dangers and the possibilities in the new environment. Publishers have tended to treat copyright in a defensive way, retreating like medieval knights into the castle called 'copyright' when they feel threatened. Well, we all know what happened to medieval knights in their castles: gunpowder blew them away. Using copyright to threaten librarians with court proceedings will only hasten the use of academic gunpowder. Rather, I would urge publishers to use copyright for its original purpose, to encourage publication and to encourage people to read. If I want to use a dozen journal articles and I have to read a dozen different licences and accept a dozen different copyright conditions, I will give up. There is so little reading that any of us do that is absolutely essential, and yet so much reading that would enrich our lives if

reading were easy. All of us – librarians, publishers and society at large – benefit when we make it easier for people to read. Easier borrowing of books as a result of the Dewey Decimal System did not cause the “death of literature”, and neither will use of electronic text over the Internet. Copyright can be managed in a way that makes it easy for people to read electronic documents. Pricing can be managed in

a way that makes it easy for people to read electronic documents. Libraries can be organised in a way that makes it easy for people to read electronic documents. That is not happening now. We need to make it happen if we are to satisfy the world’s hunger for information and see the huge increase in use of electronic information that can provide us all with a good future.



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