

Pros and Cons of Current Licensing and Pricing Models of Electronic Resources

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Abstract

The paper aims to explore and identify the recent contributions to the literature available in the current developments and issues in licensing and pricing models in electronic resources (e-resources). An extensive literature survey was performed in an attempt to identify substantial works published to date concerning pricing and licensing issues coupled with the publishers and librarians. It is evident from the scrutiny of related literature that there are still areas for advanced exploration on the topic of pricing and licensing concerns of the scholarly publishing industry; and study paves the way for the concerned organizations and institutions (such as libraries and publishers), at global level, to take substantial measures to overcome monopoly effects from the publishers and come up with the standard models. The study is very helpful for librarians or authorities in selecting the best available e-journal packages for their libraries.

Keywords: *Electronic resources, pricing models, bundled packages, print journal, e-journals*

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INTRODUCTION

In today era, electronic resources (e-resources) like e-journals, e-books, databases, subject gateways embody an increasingly essential component of the collection building activities of libraries. E-resources require computer access, whether through a personal computer, mainframe, or handheld mobile device [1]. With the advent of internet education and multidirectional research output constantly eradicate the borders between different disciplines or nations. Therefore, the new trend for 'seamless amalgamation of subject areas' facades the interdisciplinary research opportunities, results a great demand for scholarly communications. Owing to fiscal constraints, mounting cost of print journals, space problem and generation of larger number of journals, it is impossible for one library or information centers to hold the full stock of information resources, which may be in demand by its clientele. In order to tackle this problem, library cooperation such as interlibrary loan, document delivery, library networks, etc. come into force. At current, the more conventional system of resource sharing is called library consortia [2]. Consortia act as a force to provide effective negotiation enhancing buying power at reduced rates to

obtain wider access to large number of e-resources. In order to succeed in our mission, we need to have a new set of pricing models taking advantage of new technologies, ever emerging e-products and collective buying power of the consortium. The price variations depend upon various factors [3] such as strength of sale of e-journals, size of the journal frequency, number of articles, content other than articles, special graphics, rejection rates and other content quality considerations and additional revenue sources to publishers, such as author page charges, advertising, tax relief, subsidy from parent organization, etc.

PROBLEM

The information technology & communication had revolutionized every sphere of our life. In the present milieu, the e-resources are regarded as the backbone of any research or academic institution as they provide easy and simultaneous means to access information. In most of the countries, the academic libraries are struggling to negotiate with publishers and vendors individually or collaboratively via consortia due to absence of any standard pricing and licensing model. The present study has been undertaken to know the different pricing models adopted by e-resources

publishers and vendors. The study also highlights the issues and perceptions of scholar community relating to different pricing models.

OBJECTIVES

The objectives of the study are enumerated as:

1. To review different studies done on the pricing & licensing models of e-resources and the issues related to it.
2. To explore the various impediments countenance by librarians in licensing the e-resources.
3. To suggest the various remedies to deal with the difficulties faced by librarians in licensing the e-resources.

METHODOLOGY

An extensive literature survey was performed in an attempt to identify substantial works published to date concerning pricing and licensing issues coupled with the publishers and librarians. A range of online scholarly databases, search engines and websites of recognized international as well as national organizations and publishers were searched, to spot out the substantial works carried out in the area. Varied search terms such as “pricing models of e-resources”, “issues pricing models of e-resources”, “licensing models of e-resources”, “e-journal packages provided by publishers”, etc. were used for retrieving the literature.

LITERATURE REVIEW

All e-resources available through the consortium, university or individually purchase are governed by license agreements. The terms and conditions for using these resources are spelled out in license agreements that are signed with publisher by the licensee. Xenidou-Dervou [4] found that the remarkable price rise in the journal charges over the past 30 years have destabilized the ability of academic libraries to maintain their collection development at the level essential to hold educational and research activities in the serving institutes. He supported the foundation of a consortium in order to go some way towards alleviating the problem. Davis's [5] opinion was that fair (equitable) pricing requires transparency in the marketplace. The use of confidentiality clauses may result in higher prices for all library consumers. The

untie division of restricted cost and usage data would offer instant and beneficial effects on the scholarly publication advertise. An unfasten market for distribution price and licensing information lays the library into a great powerful position for negotiation than does a secret and opaque market. Big deals are inflexible, in the long run expensive, and are squeezing out small not-for-profit publishers, who are going to pay the bill for the inability of libraries to step out of big deals or to manage their budgets via cancellations to journals that form part of big deal arrangements. Moreover, libraries become aware of the lack of transparency and incomparability of the pricing of big deals, internally within the consortia and externally between consortia [6].

An economic analysis of the journal industry indicated that high and discriminatory prices resulted from the existence of monopoly power among publishers. University and library administrators could alleviate this problem by providing journal users with an incentive for keeping prices lower, by encouraging library organizations and university consortia to exploit their potential monopsony (i.e., a buying monopoly) power into a bilateral monopoly situation and by attempting to create and demonstrate high elasticity of demand for journals in any way possible [7]. The big deal today is the biggest bugbear for librarians and currently the focus of a face-off between U.K. librarians and publishers [8]. The Consortium of University Libraries of Catalonia (CBUC) prefers the electronic plus print option, then the libraries have progressively cancelled their paper subscriptions, each at their own pace and their number is now merely symbolic [9].

Patra *et al.* [10] perceived that several factors like price and number of users influenced the decision regarding the subscription of e-resources while negotiating with a particular publisher or journal aggregator. Tenopir and King [11] found that the average direct cost involved in publishing a printed journal article was about \$2,000, to cover refereeing, subject editing, copy editing, typesetting, and preparation of illustrations. They added \$2,000 of indirect costs such as contracting with authors, marketing, subscription management,

and a proportion of all the property, staff, and equipment costs incurred by any organization. They also found that articles cost around \$4,000 each simply to produce the first copy. These costs were incurred regardless of the medium of output—print or online. Correspondingly, the analysis of Tenopir and King [12] revealed savings of between twelve and thirteen dollars in processing electronic articles on demand compared with the cost of a paper-based interlibrary loan or document delivery transaction. The best way to use the competitive titles identified, is in the pricing charts and some indexes provide impact factors, which can assist you in looking at the top rated journals, but we may also want to do market research to determine where the subscriptions are held [13]. Montgomery and King [14] studied the impact of library's shift to e-journals on staff and costs and they concluded that e-journals were much cost effective on a per use basis. Storage space for low use bound journals was a major expense. A readership survey showed that the library's electronic collection was widely accepted and extensively used. Arora and Agrawal [15] perceived that full-text resources and databases proposed for subscription for various categories of institutions in the Indian National Digital Library Engineering, Science & Technology (INDEST) consortium would have cost Rs. 164 crores as per their list price, while through the consortium, the total cost came to be Rs. 18.60 crores for all institutions being considered under the consortium—a total overall saving of Rs.145.60 crores. Moreover, Ball [16] identified the main concerns as the lack of a national dimension and strategy and of expertise in individual authorities and consortia, particularly with licenses. Moreover, IP-based access validation is a good preference if the users are closely situated and enclosed by a single network. This system allows seamless access, usage statistics for the served institution, greater refuge as there is no misuse of usernames and passwords, access to all computers thus releasing other terminals and staff time and direct recognition of institutional networks by publishers and vice versa [17]. In the same way, Sreekumar and Sunitha [18] viewed that there were various issues relating to library consortia like uninterrupted online access,

perpetual access to back issues, pricing, licensing, copyright and archival solutions etc. Likewise, Sunithal and Sreekumar [19] studied the current systems used by libraries to address the on-campus and off-campus users' access requirements. Libraries have been pondering on solving this issue for a long time and SSOs and remote login applications. There were a number of applications found to be used by libraries such as E Z proxy, One Log, Shibboleth, Athens and so on. Looking at the long term and the landscape of the online information resources, SSO and remote login solutions promised a strong and long-standing stake in the upcoming library services. In broad-spectrum, Goudar and Narayana [20] concluded that pricing, archiving and copyright issues were yet to be tackled globally. Some of the pricing and payment constraints specific to Indian libraries include inadequate funds, single point payment, rigid administrative, financial and auditing rules, problems of defining asset against payment and pay-per-view not yet acceptable.

In order to make the pricing transparent, librarian or consortia's might knock down to control the publishers or vendors and demand fair pricing by the use of technologies like counter SERU and PIRUSE2. The prospect is likely to place augmented control in the hands of the library society, through initiatives like patron-driven acquisition (PDA) [21]. Similarly, Fishwick *et al.* [22] concluded that e-journals be made available through a combination of payment by usage and subscription. Likewise, Stoller *et al.* [7] concluded that the advent of e-journal provides option of pricing based strictly according to usage, may lead to the most equitable pricing system, as well as the most efficient use of societies' resources and users are priced for the article which they use. They argued for a flat-rate system on the grounds that price differences between journals in different academic disciplines, particularly the higher prices for those in natural sciences and engineering, appeared to be based on price discrimination rather than differences in production costs. In the current scenario, it was pragmatic that the librarians becoming more and more involved in negotiating complex licensing agreements deal with issues

of copyright, categorizing system of access to information through networked resources and aggressively engaged in liaising with the academic community in the purchase of information products [23]. To undertake this, Anglada and Comellas [24] established that library consortia existed to help their members to obtain better prices and buying greater number of resources at the disposal of their users. Commercial publishers try to combine their interests with the technical possibilities and demands of the libraries but the emergence of the pricing models and the types of licenses have improved considerably but a number of the parameters used in the calculation of prices are clearly unfavorable at present for some consortia. Similarly, Hurtt [25] concluded that consortia purchase products at a fair price and publishers ended up with wider publicity and sales within a shorter period of time. Furthermore, Jose and Pacios [26] studied the impact of consortia purchased periodical publications on document supply services. They found that the users' acceptance of e-journals has undoubtedly been excellent. Consortia purchasing projects have become a basic tool that expands collections, but these mass purchases did not seem to be the ideal solution for libraries; they entailed losing freedom when choosing the collection and often made library collections homogeneous by the publisher.

In addition Hunter [27] found that it was in publishers and consortia's interest to work together if they believed that there was value in the roles they played or that the scholarly community would be less well served by their absence. Priors' [28] survey of publishers' views on the pricing of e-journals revealed the differing approaches which were reflected in the variety of pricing models being used. The results of continuing experimentation may produce models which are more acceptable to librarians than the current ones. Wade [29] determined that for the success of library consortia there needed to be establishing sound governance and funding, that would provide the key to not only deliver high quality services but also to establish the consortium that was able to be agile and effective in its actions and thus be also able to occupy a pre-eminent position in redefining

the delivery of library services. Kumbar [30] showed the significance of consortia and how libraries in India have been affected by an uncertain financial constrain. Malviya and Kumar [31] found that highly decentralized models suffer due to non-availability of common agenda, no external funds, central sponsor and central staff. On the other hand, highly centralized models overcame these lacunae and also got maximum discounts. Varaprasad and Madhusudhan [32] suggested that bundled packages and big deals from the publishers may be avoided and those journals which satisfy to the highest degree of user needs, may only be subscribed. Formation of a national consortium and collective and logical negotiation with the publishers for a win-win situation may be the other alternative which will satisfy the growing information needs of users. Keeping in view the multiplicity of research programmes pursued by the Department of Biotechnology (DBT) institutions, every attempt was made to subscribe to e-resources that were multidisciplinary in nature with widen scope and coverage. All resources were evaluated for their qualitative and quantitative contents, coverage, and rate applicable for these resources to individual institutions as well as to other consortia [33]. Besides Ledayn and Shepherd [34] revealed that a consortium was in a stronger position than individual customers to negotiate favorable contracts with software vendors, and had a stronger voice in negotiating fixes and enhancements. Consortium hosting charges had economies of scale that were spread across all consortium members. The consortium, with its joint potency of participating institutions, has fascinated highly discounted rates of subscription with most favorable terms of agreement [35]. To append that Bley [36] recommended that the national electronic site license initiative (NESLI) has overcome the resolution of technical and licensing problems for site, multisite, and offsite access; clarification and standardization of license terms and conditions; separation of print and electronic subscriptions; and further development of a single seamlessly linked e-journal delivery system. Similarly, Cox [37] developed model licenses for the use of electronic content in libraries and these model licenses can help reduce the negotiation and

administration for both publishers and librarians. They do not predict the outcome of negotiation or specify best practice but rather are tools in a new and rapidly changing, information environment.

CONCLUSION AND SUGGESTIONS

Pricing is global dilemma in this area with no proper consideration particularly for developing countries so far. The big deal today is the prevalent concern for librarians and now the spotlight of a face-off between U.K. librarians and publishers. The various issues relating to library consortia are pricing, archiving, copyright uninterrupted online access, and perpetual access to back issues. IP-based access authentication provides seamless access, usage statistics for the institution, greater security as there is no misuse of usernames and passwords. The main restrictions faced by Indian libraries are scarce funds, solitary point payment, firm administrative, financial and auditing rules, and pay-per-view not yet acceptable.

Bundled packages and big deals from the publishers may be evaded and those journals, which users demand and gratify to the highest degree of user needs, may only be subscribed. The price differences between journals in different academic disciplines, particularly the higher prices for those in natural sciences and engineering, appeared to be based on price discrimination rather than differences in production costs. An open market for sharing price and licensing information puts the library in a much stronger position for negotiation than does a confidential and opaque market. Highly decentralized models suffer due to nonavailability of common agenda, no external funds, central sponsor and central staff. On the other hand, highly centralized models overcame these lacunae and also got maximum discounts. Consortia movements are drawing prices down and the formation of a National Consortium and collective and logical negotiation with the publishers for a win-win situation to both the parties.

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and enhancements. Consortium hosting charges had economies of scale that were spread across all consortium members.

FUTURE WORK

In order to hold the reins of publishers and vendors, universities and organizations need to form consortia's at national and international levels and exploit their latent domination to minimize or quash their control and exhibit uniformity in pricing. Library consortia's began to experiment with a new model—national site licensing (NSL). It appeared to have the prospective to bring valuable solutions to many tribulations in the intricate licensing because of the involvement of government and the power from large-scale collaboration. Publishers and librarians will need to make up a standard business model so to judiciously match the price charged for content to the needs of an individual institution.

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