

# Notes on Operations

## Diminishing Short-Term Loan Returns

### A Four-Year View of the Impact of Demand-Driven Acquisitions on Collection Development at a Small Academic Library

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*When St. Edward's University's library implemented demand-driven acquisitions (DDA) for electronic books (e-books) in 2011, the program affordably served as the monographic front list for this small liberal arts university library with minimal demands on the professional staff. Over four years, short-term loan (STL) costs have increased at an alarming rate and important publishers have altered what content was made available through aggregator DDA platforms plus the terms of availability of the content. The library examined how DDA fits into its collection-building and management processes in a continually changing environment and offers some strategies and considerations useful for helping in the choice of e-book purchasing models.*

Significant changes to the cost and availability of short-term loans (STLs) associated with demand-driven acquisitions (DDA) has concerned the authors, who are librarians with collections and acquisitions responsibilities at the Munday Library at St. Edward's University. Specifically, steep cost increases, embargoes, and elimination of STL availability by some publishers led the authors to evaluate the viability of aggregator-based DDA as a primary collecting tool. This paper examines changes to the library's DDA program in light of the library's rationale for choosing it to provide its monographic front list four years ago: quick, affordable access to current, multiuser e-books from a wide range of academic publishers; minimal demands on librarian time; and paying only for content that is used. The authors discuss how DDA program changes are altering the nature of the library's monographic collecting, with a focus on the publishers most used by the St. Edward's University community.

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### Background

St. Edward's University is a private, liberal arts university in Austin, Texas, with approximately four thousand undergraduates and six hundred graduate students.<sup>1</sup> Although historically a teaching university, faculty and student research has begun to play an increasingly important role. The Munday Library's collection development policy supports the current curriculum, rather than attempting to create a comprehensive or historical collection.<sup>2</sup> The Munday Library is the university's only library, with ten support staff and seven librarians; its collection includes approximately 74,000 print books and 214,000 e-books. About 55,000

DDA eligible e-books, making up about 23 percent of the e-book collection (as of September 20, 2015) are available on the EBL platform. A much smaller DDA collection from ebrary supplements the EBL titles.

The DDA program's primary collection goal since its inception in 2011 is to serve as the library's monographic front list, that is, titles published within the past twelve months. Second, the program is needed to minimize demand on librarian time. The ebrary Academic Complete subscription is the library's electronic monographic mid-list (published earlier than the past twelve months), with approximately 127,000 titles (as of September 20, 2015). Smaller collections, such as Credo Reference, PsycBooks, and several Springer, JSTOR, and Project Muse packages constitute the remainder of the library's e-books, plus the Early English Books Online (EEBO) collection. Thus the majority of the Munday Library's contemporary e-book collection is obtained through aggregators: EBL and ebrary, now both part of ProQuest.

The library began using DDA to provide access to a substantial, current collection of monographs for the St. Edward's University community. The small number of librarians on staff meant that maintaining a sufficient, current collection of print monographs selected on a title-by-title basis, had become impossible. The EBL DDA program allowed the previous collection development and acquisitions and metadata librarians to create a profile specifying publication date range, publishers, and subject focus, and to quickly build and maintain the much-needed collection of current, scholarly, and primarily multiuser, e-books.<sup>3</sup> Using EBL's auto-add feature, e-books meeting the specified criteria were automatically made available on the vendor's platform and MARC records for those e-books were emailed weekly to the acquisitions and metadata librarian to load into the library's Millennium integrated library system. The librarians also established criteria for EBL's auto-weed feature, specifying that e-books older than thirty-six months and without use for twenty-four months should be automatically removed from the platform. A MARC delete file of those titles was emailed weekly along with the auto-add file. The benefits of auto-add and auto-weed guaranteed the collection's currency with minimal demand on librarian time.

An equally important appeal of the DDA model was that the library would pay only for materials that were used. With a limited budget, the librarians could not afford to spend collection dollars on materials that were not relevant for the St. Edward's University community. Originally, the library's DDA programs allowed three STLs. Typically, an STL is defined as more than five minutes of use of the books' contents, or any copying or printing. When the library's DDA programs were launched, each STL cost about five to fifteen percent of the cost of the book. The fourth use of the book initiated an auto-purchase.

The DDA program successfully served as the library's affordable and substantial monographic front list until programmatic cost increases and content reductions took effect in 2014 and 2015. This paper reviews the impact of those changes on collection development.

## Literature Review

DDA programs are no longer a novelty, yet the debate over their merits and limitations continues. Librarians, publishers, and aggregators each have their own assessment. The literature reflects this diversity of opinion. Fulton overviews the history and current state of DDA (also referred to as patron-driven acquisitions or PDA) and enumerates the advantages and disadvantages as discussed in the literature. He weighs issues surrounding cost-effectiveness, access, staff time, and collection quality.<sup>4</sup>

Carrico et al. studied the cost-effectiveness of multiple e-book acquisitions methods, commenting on the time-intensive nature of title-by-title selection and ordering versus efficiencies offered by package-type acquisitions. The DDA program that they evaluated did not offer STLs. They are "staunch supporters of the cost-effectiveness of DDA because e-books [which] are purchased are used."<sup>5</sup>

Downey et al. offer a broad overview of DDA at a large Association of Research Libraries institution, determining that DDA was cost-effective because they only purchased materials that their patrons used and also gave patrons quick access to many e-books. They state that "the major advantage of this e-book acquisition model is that it can provide users with immediate electronic access to a large quantity of content while giving the library the assurance that funds are being expended for content that is actually being used."<sup>6</sup> Ferris and Buck cite the rationale for a small, academic library to heavily use an aggregator-based DDA program: minimal demand on librarian time; quick, unmediated access for patrons; and paying only for materials that are used.<sup>7</sup>

Machovec summarizes recent changes to DDA programs' pricing and content, and the publisher discontent that led to those changes.<sup>8</sup> Hiatt presents the main points of debate over short-term loan price increases, addressing both publisher and librarian concerns. He also highlights publishers' and librarians' differing perceptions: "Librarians have accepted DDA as a stable acquisitions model, but publishers still seem to consider it experimental."<sup>9</sup>

Gillett's interview with ProQuest Vice President Kari Paulson relates a benefit of aggregated collections: "Libraries want to buy from suppliers who offer content from a broad range of publishers and in a range of formats."<sup>10</sup> She also comments on what librarians might expect from ProQuest DDA programs going forward.

DDA has become embedded as a standard part of the library collection development policy for many of our customers, so our roadmap includes enhancements to our current offering—again designed around feedback from our customers . . . we should expect to see further experimentation with both pricing and access models before we see full maturation of either.<sup>11</sup>

Seeger and Allen provide a publisher's perspective on DDA, referring to it as a pilot and reinforcing the idea that publishers do not see DDA as a finalized business model.<sup>12</sup>

## STL Changes and Challenges

The librarians at the Munday Library noticed significant STL cost increases beginning in June 2014. Each month, EBL announced which publishers had increased their rates and by how much, and the list grew every month. By October 2015, approximately fifty publishers were on the list of STL price increases. The average cost of a one-day STL rose from 10 percent to 25 percent of the cost of the e-book. The average cost of a seven-day STL rose from 16 percent to 34 percent of the cost of the book for those fifty publishers.<sup>13</sup>

Although only fifty publishers out of the many made available by EBL increased their STL costs, the publishers most used by the St. Edward's University community were, not surprisingly, a part of this trend. Of those fifty publishers, twenty-one initially had a one-day STL set at 5 percent of the e-book's cost. Forty-five publishers initially priced one-day STLs at less than or equal to 15 percent. By October 2015, thirty-eight out of fifty charged 20 percent or more for a one-day STL.

Because of profile settings, nearly 95 percent of St. Edward's University's STLs in the twelve months before June 1, 2014, were one-day STLs; the remainders were seven-day STLs. Thus, while STL costs for seven-, fourteen- and twenty-eight-day STLs also rose significantly, St. Edward's University was primarily affected by cost increases for one-day STLs. Of the 4,209 STLs generated by St. Edward's University's community members between June 1, 2013, and May 31, 2014, more than half were for e-books from just nine publishers, and the top three—Taylor and Francis, Wiley, and Palgrave-Macmillan—accounted for more than a third (see table 1).

Average STL costs for two of St. Edward's University's

**Table 1.** STL cost increases for St. Edward's University's most highly used publishers<sup>i</sup>

Publisher	STLs	Pre-June 2014 1-day STL cost	Post June 2014 1-day STL cost
Taylor and Francis	1,000	10%	25% (changed 6/1/14)
Wiley	472	15%	25% (changed 8/1/14)
Palgrave Macmillan	144	10%	30% (changed 9/1/14)
Springer (all variants of name)	136	15%	25% (changed 7/15/15)
Cambridge University Press	112	15%	30% (changed 7/1/14)
Bloomsbury	111	5–15% (varied by imprint)	35% (changed 6/1/14)

i. Three publishers with high use did not increase their STLs.

**Table 2.** STL costs by St. Edward's University's highest-use publishers, June 1, 2013 to May 31, 2015

Highest Use Publishers	Average Cost June 2013–May 2014	Average Cost June 2014–May 2015
Taylor and Francis	\$13.33	\$34.63
Wiley	\$9.96	\$10.05
Palgrave Macmillan	\$8.79	\$22.07

**Table 3.** STL cost changes from 2013–2014 to 2014–2015

Year	Total STLs	Average STL Cost	Total STL Cost
2013–14	4,209	\$9.36	\$37,648.84
2014–15	1,279	\$16.46	\$22,529.69

most-used publishers, Taylor and Francis and Palgrave Macmillan, nearly tripled (see table 2). As is evident from table 2, the average STL costs for Wiley increased less than 1 percent; this is likely because of the content embargoes that Wiley subsequently imposed on its front list content in the ProQuest E-Book Central in March 2015, which is discussed later in this paper.

In sum, the library saw an increased cost for a one-day STL, on average, from 11 percent (pre-June 2014) to 29 percent (post-June 2014). The average cost of an STL for St. Edward's University has increased by 76 percent, from \$9.36 to \$16.46 (see table 3).

## Embargoes

In March 2015, EBL released its first list of publishers that planned to impose embargoes on STLs for their most recently published content. For example, Wiley has a twelve-month embargo on STLs, meaning that any book published within the last twelve months is available for purchase through EBL but is *ineligible* for STLs. STL-embargoed content triggers an auto-purchase on first use. Beginning in October 2015, three publishers removed their content from the risk-pool

(the available titles for patrons to browse and use), thus removing themselves from the DDA model. That content is still available for purchase via EBL, but a patron cannot trigger the purchase. A staff member with access to the administrative site must purchase titles to make them visible to the public and available for use. In table 4, the twenty-three publishers that changed their DDA availability are grouped by the changes made (as of December 20, 2015). The authors believe that this is the first of many such changes as big publishers try to move libraries from aggregator sites to purchases and/or subscriptions on the publisher's own platforms.

### Library Response

During the initial increase in STL prices during June and July of 2014, the Munday Library's monthly invoice figures were alarming. The June 2014 invoice was approximately triple the cost of the June invoice in either 2012 or 2013, while the July 2014 invoice was nearly four times the amount of either of the prior two July invoices (see table 5).

Concerned about rapidly increasing STL expenses, the librarians implemented steps intended to reduce costs. The auto-purchase trigger was amended from purchasing on the fourth use to purchasing on the first use if STL cost was greater than 24 percent of the e-book cost. When the June 2014 invoice arrived, it became clear that that strategy was not effective at cost containment. Allowing three STLs before auto-purchasing an e-book was no longer fiscally feasible, but clearly neither was purchasing it on the first use. On further analysis of use patterns, the librarians changed the auto-purchase trigger again, allowing one STL with an auto-purchase on the second use for all publishers.<sup>14</sup>

The librarians also reduced the size of the DDA risk pool. By June 2014, ProQuest had purchased both EBL and ebrary, and the library's ProQuest customer service representative de-duplicated the EBL collection against the ebrary Academic Complete subscription, something that had proved impossible for the librarians to do efficiently in either Microsoft Excel or in the library's integrated library system when the e-book packages were purchased from separate companies. This reduced the DDA collection by about 9,000 titles. The librarians tightened the auto-weed policy to remove titles after twenty-four months if they had not been used in twelve months, as compared to the previous auto-weed policy of removal after thirty-six months if no use in twenty-four months. This reduced the risk pool by an additional 22,000 titles but retained the newest titles, thus preserving the front list nature of the collection while helping to control potential costs. Finally, the librarians became more vigilant about removing publishers whose materials were marginal to the collection development policy or were more suitable for leisure reading. These collection and policy changes successfully curbed the library's STL expenditures,

**Table 4.** STL embargo types by number of publisher<sup>i</sup>

STL Embargo Type	Number of Publisher
No STL offered	5
No DDA offered	3
6 months	1
12 months	10
18 months	3
60 months	1

i. Data collated from ProQuest, "Table of Publisher Short-Term Loan Pricing Changes," downloaded October 23, 2015.

**Table 5.** EBL invoice increases by total invoice cost, including STLs and autopurchases

	2012	2013	2014
June	\$3,320	\$2,942	\$10,609
July	\$1,673	\$1,681	\$6,156
Total	\$4,993	\$4,623	\$16,765

though the change to the auto-purchase trigger resulted in increased expenditures for purchases. The net effect, however, was to keep the program affordable.

### Collection Changes and Impact

EBL's DDA program has provided a constantly updated front list to St. Edward's University's users, and it has been the primary means to maintain a current collection. While EBL continues to provide a front list for St. Edward's University, that front list is smaller because of cost increases and content embargoes, and EBL is no longer the library's preferred source for scholarly monographs. Before the cost increases, the library's e-book risk pool was largely inclusive, and the library added requested titles to the risk pool, giving the patron quick access, because the "surcharge" of the STLs was minimal. If a patron used an e-book once (i.e., a single STL), the library spent only 5–10 percent of the cost of the book, which the librarians considered to be a worthwhile expenditure. STLs had provided an inexpensive way to gauge demand before purchase. That flexibility has largely disappeared. Now, it may be less expensive for the library to purchase requests and front list titles outright from EBL or a print vendor based on the librarians' judgment as to whether the title will garner further use. Print versions of a title are generally cheaper than electronic, and the librarian must consider whether the title is likely to be in high demand (multiuser e-books are a better buy) or have narrow appeal (print may be more cost-effective). The collection development librarian now checks the weekly file of new titles to

remove publishers that do not strictly support the current curriculum. Using DDA to determine whether the title has value to multiple users is no longer feasible for this library.

There are positives and negatives to these changes. While the EBL collection is now refined to meet the specific needs of important classes at St. Edward's University, students are no longer exposed to serendipitous discoveries of nontraditional presses nor the broader scope of publishers and subject matters. A tightly managed EBL collection is fiscally sustainable, while a more inclusive one is not. To provide that more inclusive collection, the collection development librarian selects titles individually using input from subject-liaison librarians and considering patron requests, purchasing these materials using a variety of acquisitions methods.

### Staffing and Community Impact

A significant impact of the DDA program changes is the amount of time that the collection development librarian spends monitoring the program. Vendor and publisher changes, library expenditures, risk pool composition and use, mediated use requests, and monographic collecting outside the DDA program all require more attention than in earlier years. A major impetus for the Munday Library's move to EBL's DDA program was its comparatively automated nature, given the library's small number of librarians. This benefit is now considerably lessened.

The library has also used EBL and ebrary to support reference and interlibrary loan (ILL) by giving those staff members access to the administrative sites, where they can search all of the available titles (i.e., not limited to those in St. Edward's University's risk pool) and "turn them on" for immediate access for community members.<sup>15</sup> Reference librarians can meet student demand during the reference interview, rather than referring a student to ILL, to a suggest-a-purchase form, or to another area library. This sort of action fits the collection development policy of supporting the curriculum. Similarly, ILL staff could fulfill community requests by turning on titles in the administrative sites. In both cases, the patron's research needs are satisfied quickly and possibly more quickly than with most alternatives. With the increases in STL costs, the collection development librarian must be more selective with this option; buying a request outright in print or electronic or using ILL may be more cost-effective, though the patron likely faces a longer wait.

### Expectations Moving Forward

Moving forward, what is the future of DDA? From the publishers' perspectives, it seems there are concerns about

generating enough revenue to support the business. Many publishers are promoting evidence-based access or acquisitions (EBA) models on their platforms, subscription models, or direct purchase of e-books, either as collections or individually to fill that revenue gap. Aggregators like ProQuest are trying to change the DDA model to satisfy both publishers' need for revenue and librarians' need for affordability. As more publishers place embargoes on front lists, increase STL costs, or discontinue the DDA model altogether, ProQuest has responded with an Access to Own acquisition model. ProQuest promotes this model as a compromise between the publishers' and libraries' needs.<sup>16</sup> Aggregators want to continue their revenue streams, and ProQuest's investment in this new model makes sense. Librarians value the cost effectiveness that DDA offers, but there is concern about sustainability.

The primary mandate of the Munday Library's collection development policy is to support the current curriculum. Choices of platform and acquisitions model are lesser concerns. The Munday Library will trial the options discussed below to provide content to the community.

First, the Collection Development Librarian will further tailor the publishers included in the library's ProQuest DDA program, with an increased focus on large, high-use trade publishers and university presses, such as Taylor and Francis, Oxford, and Cambridge. Some of those publishers have agreed to the Access to Own model, whereby the STL becomes a part of the book's final cost. Because this model is so new, no data exists to model what cost changes the Munday Library may expect. The librarians will treat the first year of Access to Own as a trial and assess costs and cost per use accordingly. It is possible that the Access to Own program could replace the original DDA model and the librarians will want that data to respond effectively to that change.

Second, the Munday Library will trial an evidence-based access (EBA) model with Project Muse. This trial will serve two purposes: provide front list titles from additional university presses, possibly more affordably than the same content via EBL, and allow the librarians to compare EBA costs and use to that of the library's DDA program.

Third, the library will investigate a DDA program with JSTOR, providing access to university presses not available through Project Muse. The JSTOR article platform is heavily used at the Munday Library, and providing e-books on that platform might result in serendipitous discovery by users.

Finally, the librarians will explore a demand-driven-preferred approval plan.<sup>17</sup> Selecting and acquiring e-books for numerous platforms is consolidated in one library vendor (such as YBP or ProQuest) in such a plan, potentially saving librarian time and providing a wide range of publishers. An approval plan trialed several years ago had limited buy-in from staff and subsequent content use by the Munday

Library's patrons, but the market has changed enough to warrant another look.

Numerous concerns need to be addressed as these trials proceed. Primary among them is whether the library can efficiently de-duplicate titles across multiple platforms, which was problematic in the past. The quantity of print purchases that a demand-driven preferred approval plan may yield is another concern as shelf space is very limited in Munday Library's stacks. What role will the subject liaisons play as monographic collecting becomes more complex? The small number of librarians precludes extensive reliance on subject liaisons, yet the liaison program has never been revamped to meet changing needs, and liaison roles are sometimes unclear. Finally, having most of the library's monographic front list on the EBL platform facilitated less frustration and confusion from the St. Edward's University community. As the library strives to provide more content, more platforms will require training and support of both users and public services staff.

## Conclusion

The changes to DDA beginning in 2014 came to the attention of the St. Edward's University librarians largely because of the immediate financial impact. As the first STL increases were instituted, St. Edward's University librarians could not have predicted how greatly the DDA model would change, and with it, the way the library provides its community with a sufficient quantity of current, scholarly monographs. The pressure of limited librarian time for collection development has resurfaced as multiple platforms and means of acquisitions are examined. The collection development librarian will determine how subject liaisons can be best deployed to fulfill collection needs.

The aggregator-based, STL-driven DDA program is no longer viable as a primary collecting tool for this small, liberal arts university library. Cost increases and content reductions mean that additional collecting mechanisms must be trialed and evaluated. The DDA program will be a significantly smaller part of the collection. The affordability of the original DDA program is gone; however, the appeal of paying only for content that is used may still be realized via EBA and other nonaggregator DDA programs. Trials are needed to evaluate their cost-effectiveness. New means of supporting the curriculum must be pursued to provide access to a cost-effective, staff efficient, and timely collection.

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