Traditional subscriptions, big deals or Pay-Per-View? - A comparative evaluation of business models in Austria

Abstract: Libraries have come under enormous pressure over the past years, with the amount of content available rising rapidly, while at the same time budgets are cut severely or stagnate at best. While it is crystal clear that not all available content can be licensed, libraries very often have to take crucial decisions on behalf their patrons about which content is acquired and how. The financial restraints on libraries and rising user expectations requires from librarians to review and analyze their collection development policies systematically, critically and constantly. This paper presents a comparative analysis of business models adopted in collection development processes. Single or direct subscriptions, big deals[1] entered in the frame of consortia and Pay-Per-View[2] are analyzed in terms of their budgetary impact and economic efficacy. This quantitative analysis is extended by taking qualitative factors such as usability and the weaknesses all three business models in terms of administrative efforts into consideration.

Purpose of the paper: The purpose of this paper is to compare three collection development approaches (traditional subscriptions, big deals in the frame of consortia, Pay-Per-View) and to find out which model serves best the requirements of libraries today.

Introduction: The serials crisis, which has been going on for at least 15 years now and the financial plight entailed with it for libraries and information centers, has given rise to ever louder calls for alternative business models. Apart from traditional subscriptions, consortia have become increasingly popular for several years already. Next to traditional ways of supplying scientific literature to researchers and the academia, which also encompass the well-established interlibrary loan and document delivery services, Pay-Per-View is spotlighted as a quick and comfortable alternative to IP-controlled licenses, but also as a potential cost-saving alternative to other business models. In spite of the fact that several business models have developed over the last years, mainly but not exclusively due to the increasing switch from print to e-only, there are hardly any comparative analyses using real data. The studies available show in some cases diverging results: Adalbert Kirchgäßner of Konstanz University comes to the conclusion in one of his analyses that Pay-Pay-View holds major cost-saving potential[3], whereas studies from the United States and the UK draw different conclusions. Tim Bucknall at Greensboro University of North Carolina compared traditional subscriptions, big deals and Pay-Per-View in 2009 with the result that the big deal is still the most cost-efficient and user-friendly model[4]. The authors of the UK study „A report for JISC collections and the journals working group“ published in 2007 state that *“the models trialled compare unfavourably with the `traditional` Big Deal, in terms of administrative work involved in managing them (libraries and publishers), the budgeting*

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[1] Big deals refer to a business model whereby a publisher’s complete (or almost complete) journal collection is made available. Usually big deals are based on historic print spend, but sometimes big deals are also referred to a package not based on print spend, but where they only possibility is to take all or nothing. In this paper the term big deals refers to both options.

[2] The term „Pay-Per-View“ in this paper refers to a Pay-Per-View service whereby the library handles the coordination and payment process (i.e. the library has to make sure that no articles are ordered which are part of the institution’s own subscriptions etc.)

[3] Kirchgäßner, A. (2006): “Kauft die Bibliothek der Universität Konstanz die richtigen Zeitschriften?”, p. 12 ff.

[4] Bucknall, T.(2009): „A comparative evaluation of journal literature access options at the University of North Carolina in Greensboro“, p. 142

uncertainty and the comparative annual costs"[5]. An Austrian survey on Pay-Per-View as potential replacement for traditional subscriptions also shows that Pay-Per-View is not an adequate primary business model in supplying scientific literature[6].
The present paper takes an in-depth look at traditional subscriptions, big deals in consortia and Pay-Per-View in Austria and compares these business models in terms of cost efficiency, administrative effort and user friendliness.

Methodology:

The starting point of this comparison is the full-text downloads on the basis of which the cost-per-download is calculated for direct subscriptions, the big deal in consortia and the Pay-Per-View model. This analysis is done for five publishers, which differ in terms of size and professional focus. For each publisher, the download and pricing figures of three institutions, which also differ in size (small, medium-sized and large[7]), type and academic focus, are analyzed[8]. The cost of direct subscriptions and the price in consortia are available from publishers, whereas the cost of Pay-Per-View is based on an estimated average value of €/US$/GBP 25 per article. The time period covered by this analysis is 2010, but random checks of the data from earlier years and this year have shown that there is no major up- or downturn. The results of this analysis can also be considered representative insofar, as the data of more than three institutions have been investigated and no major variations have turned up. The overall cost of Pay-Per-View has been calculated for two scenarios:

- Scenario 1: 100% of downloads are considered relevant
- Scenario 2: 50% of downloads are considered relevant

Scenario 2 takes into account that in case of Pay-Per-View users in fact show more focused download behavior. Bucknall states in his study that the percentage of downloaded articles is 100 % in case of subscribed journals, whereas it is just 63 % if the article requested is a Pay-Per-View article[9].

Results:

The results of the quantitative analysis of the cost of direct subscriptions, big deals in consortia and Pay-Per-View in the Austrian academic sector look as follows:

1) Scientific Publisher (Science, Technology & Medicine)

	Downloads	Price Direct Subscription	Cost-Per-Download Direct Subscription	Price Consortium	Cost-Per-Download Consortium	Estimated Price Pay-Per-View (100 %)	Estimated Price Pay-Per-View (50 %)
Small University	4.905	€ 45.124	€ 9,20	€ 30.253	€ 6,17	€ 122.625	€ 61.313

[5] Content Complete Ltd (2007): „A report for JISC collections and the journals working group", p. 15
[6] Stieg, K. and Hartmann, H. (2010): „The end of the world as we know it - Pay-per-View als Ersatz für Lizenzverträge und Zeitschriftenabonnements in Österreich", p. 3-8 and 10
[7] Small refers to universities with less than 10.000 FTEs, medium-sized refers to universities with between 10.000 and 20.000 FTEs, and large refers to universities with more than 20.000 FTEs.
[8] For reasons of confidentiality, the data have been made anonymous.
[9] Bucknall, Tim (2009): „A comparative evaluation of journal literature access options at the University of North Carolina in Greensboro", p. 141

Medium-Sized University	19.551	€ 132.926	€ 6,80	€ 77.866	€ 3,98	€ 488.775	€ 244.388
Large University	1.121	€ 12.235	€ 10,91	€ 8.564	€ 7,64	€ 28.025	€ 14.013

The prices (excluding value added tax) and download figures refer to 2010. (Table 1)

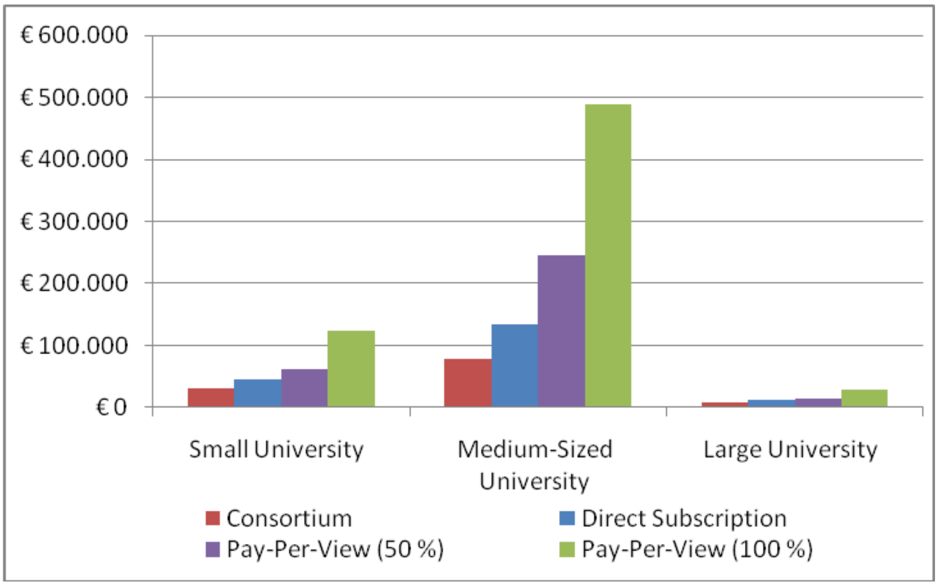

Chart 1: Comparison Overall Cost: Direct Subscriptions , Consortium & Pay-Per-View (STM Publisher)

Table 1 and Chart 1 show that the cost-per-download figures in the consortium vary between less than € 4 and € 8, depending on the institution. This cost-per-download would rise by nearly 43 % in the case of the traditional business model of direct subscriptions for the large university, nearly 50 % for the small university and 70 % for the medium-sized university. The overall cost in the consortium would nearly double in the best case if the Pay-Per-View model was chosen and 50 % of downloads were considered relevant. If 100 % of downloads were considered relevant, the cost would go up more than 300 % for the large university, would surge by more than 400 % for the small university and by more than 600 % for the medium-sized university.

2) Scientific Professional Association (Science & Technology)

	Downloads	Price Direct Subscription	Cost-Per-Download Direct Subscription	Price Consortium	Cost-Per-Download Consortium	Estimated Price Pay-Per-View (100%)	Estimated Price Pay-Per-View (50%)
University of Applied Science	5.116	$18.000	$3,52	$18.000	$3,52	$127.900	$63.950
Medium-Sized University	12.583	$64.500	$5,13	$48.750	$3,87	$314.575	$157.288
Large University	91.446	$97.500	$1,07	$88.375	$0,97	$2.286.150	$1.143.075

The prices (excluding value added tax) and download figures refer to 2010. (Table 2)

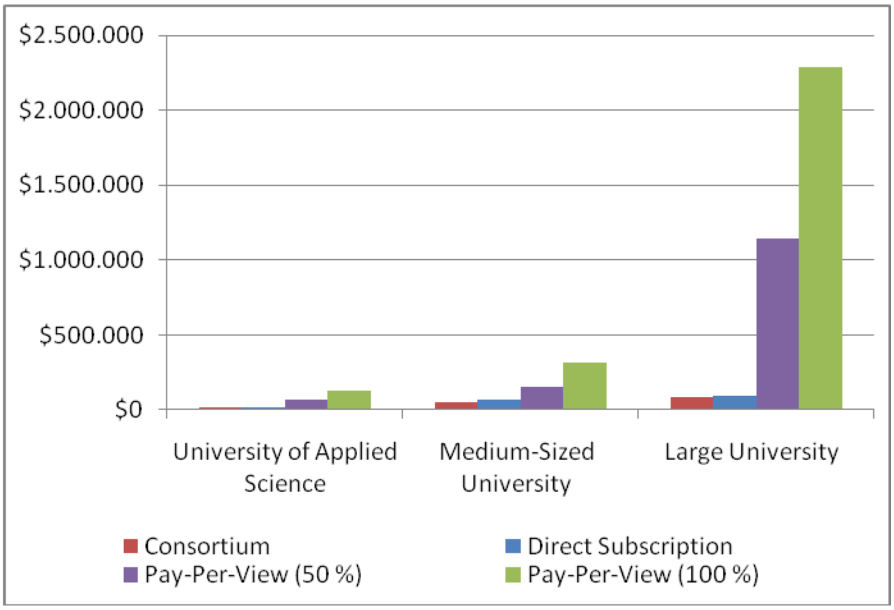

Chart 2: Comparison Overall Cost: Direct Subscriptions, Consortium & Pay-Per-View (S&T Publisher)

According to Table 2, the cost-per-download figures are lowest in the consortium (between less than € 1 and € 4). The consortium price is nearly 10 % lower than the direct subscription for a large university and almost 25 % lower for a medium-sized university. The consortium price and the direct subscription price are the same for universities of applied sciences, since this price is the lowest price offered by the publisher. Chart 2 shows the overall cost in the consortium, for the direct subscription model and for Pay-Per-View (both if 100 % and 50 % of downloads are considered relevant). Even if only 50 % of downloads were considered relevant, the cost would increase by more than 300 % for the medium-sized university and the university of applied science and would skyrocket from less than US$ 90.000 to more than 1,1 million US$ for the large university.

3) Scientific Publisher (Management & Engineering)

	Downloads	Price Direct Subscription	Cost-Per-Download Direct Subscription	Price Consortium	Cost-Per-Download Consortium	Estimated Price Pay-Per-View (100%)	Estimated Price Pay-Per-View (50%)
University of Applied Science	2.503	£4.038	£1,61	£2.757	£1,10	£62.575	£31.288
Small University (General)	1.089	£8.075	£7,42	£5.256	£4,83	£27.225	£13.613
Small University (Specialized)	768	£15.900	£20,70	£10.883	£14,17	£19.200	£9.600

The prices (excluding value added tax) and download figures refer to 2010. (Table 3)

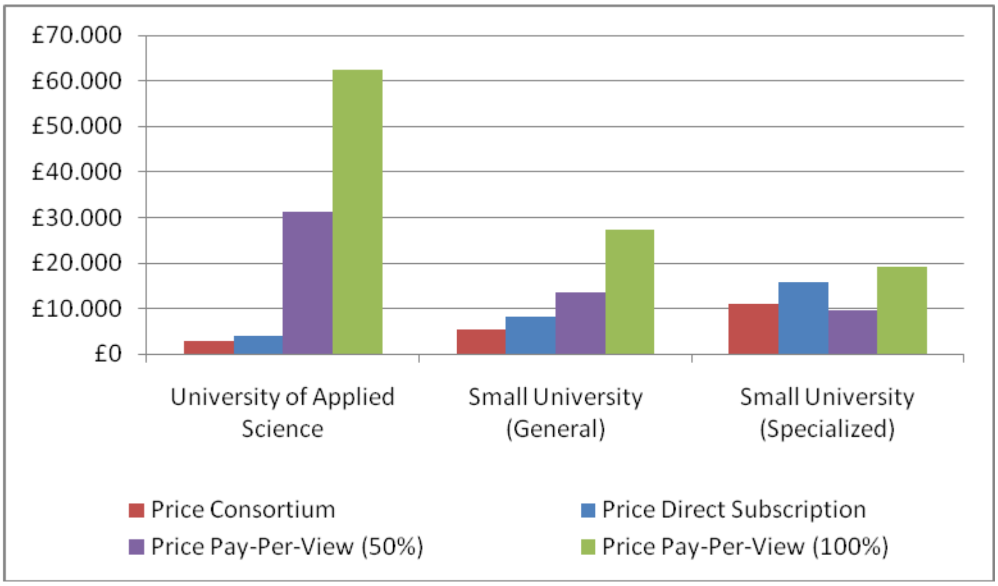

Chart 3: Comparison Overall Cost: Direct Subscriptions, Consortium & Pay-Per-View (Management & Engineering)

The comparison of the cost-per-download figures in the third example shows a slightly different picture. The cost-per-download figures in the consortium vary between GBP 1.10 (university of applied science) and nearly GBP 15 (small specialized university). Table 3 and Chart 3 show that the consortium model is still the most cost-effective acquisition model for the university of applied science and for the small university, which does not have a special focus on a certain discipline, followed by the direct subscription model. Pay-Per-View again is a clearly expensive alternative for these institutions. However, if only 50 % of downloads were considered relevant, Pay-Per-View would be a cheaper alternative for the small, specialized university than both the consortium and the direct subscription model.

4) Scientific Publisher (Economics and Social Sciences)

	Downloads	Price Direct Subscription	Cost-Per-Download Direct Subscription	Price Consortium	Cost-Per-Download Consortium	Price Pay-Per-View (100%)	Price Pay-Per-View 50%)
University of Applied Science	2.306	€ 12.400	€ 5,38	€ 10.940	€ 4,74	€ 57.650	€ 28.825
Medium-Sized University	2.818	€ 22.100	€ 7,84	€ 11.700	€ 4,15	€ 70.450	€ 35.225
Large University	16.851	€ 29.100	€ 1,73	€ 23.650	€ 1,40	€ 421.275	€ 210.638

The prices (excluding value added tax) and download figures refer to 2010. (Table 4)

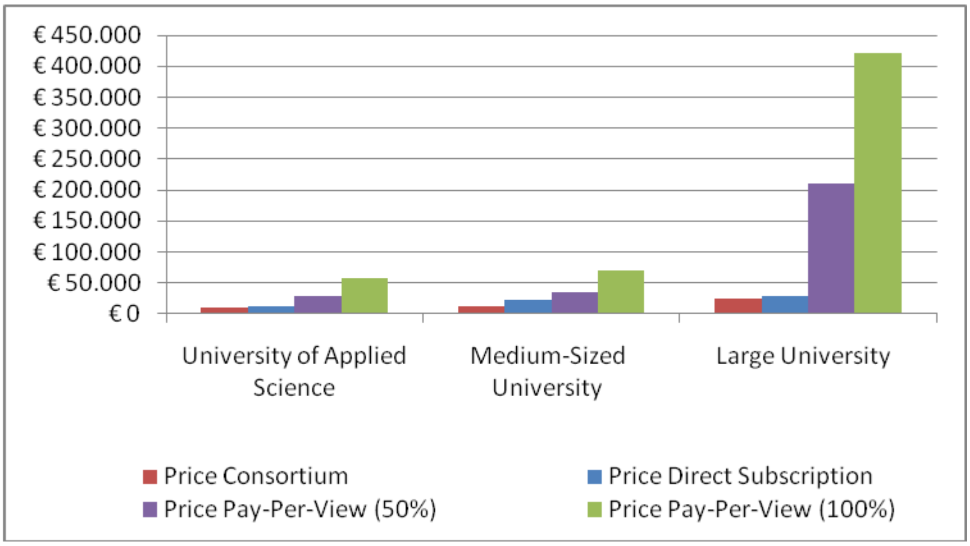

Chart 4: Comparison Overall Cost: Direct Subscriptions, Consortium & Pay-Per-View (Economics & Social Sciences)

Table 4 shows the comparison of costs for the content of a scientific publisher in the field of economics and social sciences for a university of applied science, a medium-sized university and a large university. The cost-per-download figures, which are lowest in the consortium, vary between less than € 1.50 and less than € 5, i.e. the consortium is again the most cost-effective acquisition model. Even if only 50 % of downloads were considered relevant, the cost would go up in the Pay-Per-View model about three times for the university of applied science and for the medium-sized university. The large university would face a nearly nine-fold jump in cost in this case (see also Chart 4).

5) Large Scientific Publisher (Science, Technology & Medicine)

	Downloads	Price Direct Subscription	Cost-Per-Download Direct Subscription	Price Consortium	Cost-Per-Download Consortium	Price Pay-Per-View (100%)	Price Pay-Per-View 50%)
Research Institute	39.713	€ 215.585	€ 5,43	€ 152.905	€ 3,85	€ 992.825	€ 496.413
Medium-Sized University	159.230	€ 857.073	€ 5,38	€ 547.358	€ 3,44	€ 3.980.750	€ 1.990.375
Large University	243.778	€ 1.296.783	€ 5,32	€ 1.054.691	€ 4,33	€ 6.094.450	€ 3.047.225

The prices (excluding value added tax) and download figures refer to 2010. (Table 5)

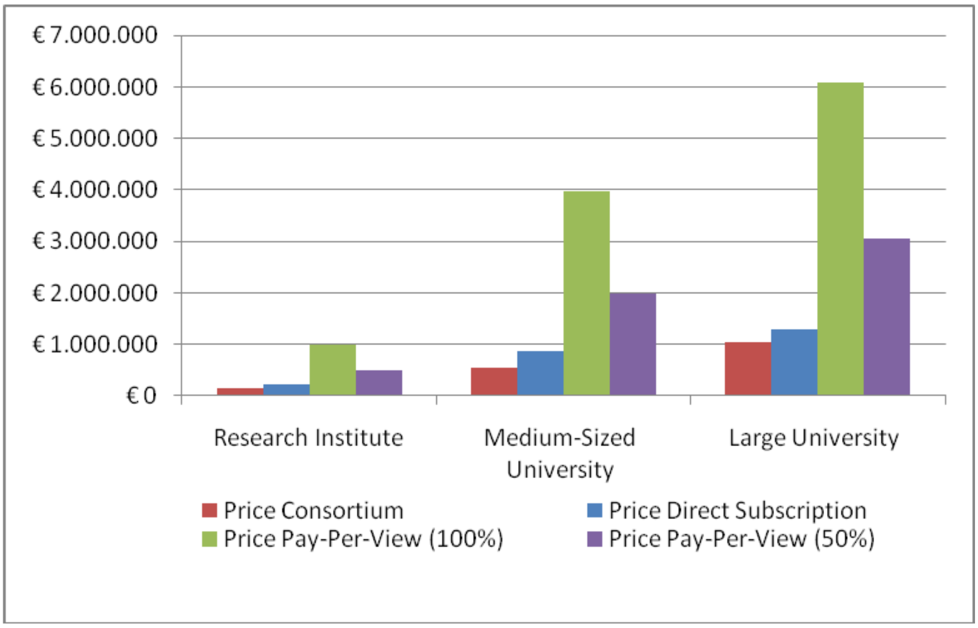

Chart 5: Comparison Overall Cost: Direct Subscriptions , Consortium & Pay-Per-View (Large STM Publisher)

Table 5 and Chart 5 show a comparison of the cost of scientific journals published by a large STM publisher for a research institute, a medium-sized university and a large university. The big deal is the most cost-effective acquisition model, followed by the direct subscription model. The direct subscription model of this publisher is approx. 20 % more expensive than the big deal for the large university, more than 40 % for the research institute and more than 56 % for the medium-sized university. The Pay-Per-View model performs worst: Even if only 50 % of downloads were considered relevant, the cost would go up in the Pay-Per-View model from approximately € 150.000 in the consortium big deal to nearly € 500.000 for the research institute. Cost would skyrocket from about € 550.000 (big deal in the consortium) to nearly € 2 million for the medium-sized university. For the large university prices would explode from more than € 1 million in the consortium big deal to more than € 3 million in the Pay-Per-View model.

Findings and Conclusion:

Quantitative aspects: The comparisons stated above cover on the one hand many different institutions (e.g. universities of applied science, universities of different size and academic focus, research institutes) and on the other hand reflect a very broad spectrum of publishers acting in different academic disciplines. Hence, the findings of this study can be considered comprehensive. The results of this quantitative analysis show that the consortium model still outperforms the direct subscription model and the Pay-Per-View alternative in terms of cost-effectiveness for most Austrian universities, universities of applied science and research institutes[10]. Especially Pay-Per-View is clearly non-suitable to replace the consortium due to major price increases entailed with a switch to Pay-Per-View, but also the direct subscription model is a bad bargain compared to the consortium.

Qualitative Aspects: Next to the economic benefit of the consortia model, acquiring scientific literature in the frame of consortia offers several other advantages in terms of

[10] This analysis has been done for more than three institutions for each publisher. The results for the other institutions have been approximately the same, with very few exceptions. The author has tried to pick out three institutions that reflect the average and not the highest or lowest values.

administrative effort and usability. Compared to the direct subscription model, consortia provide libraries with a higher bargaining power over publishers by bundling the market power of many institutions in one purchasing group. Moreover, big deals in consortia may also give libraries the opportunity to share resources in so-called Cross Access consortia, through which access to all holdings of the participating institutions is provided for a surcharge fee. However, a trend of walking away from the Cross-Access model has become apparent recently, whereas Collections and all-in-deals are on the rise. A survey in Turkey has shown that the quantity of scientific publishing originating from Turkish academic institutions has increased substantially due to access to academic literature through electronic databases provided by the Anatolian University Libraries Consortium (ANKOS). It can be expected that this trend is similar in other countries and the authors of the Turkish study recommend especially developing countries replicating such practices in other areas in order to provide for an effective tool for development[11]. Last but not least, individual institutions benefit from consortia insofar as libraries are relieved from the work related with handling a consortium (from exploring the market, organizing product tests, negotiating prices, usage and post-cancellation rights, revising and optimizing license agreements and handling the invoicing process to administering resources in search portals etc.) since this obligation is taken over by a central negotiator[12]. Aside from the cost, Pay-Per-View also does not come off well in terms of usability. Library patrons these days are used to have instant online access to nearly all resources they need without barriers. In addition to the lack of immediate, easy and convenient access for users, Pay-Per-View also entails major administrative effort for libraries. The library has to organize a Pay-Per-View service in its institution which requires adequate personnel. Another reason why Pay-Per-View has not established itself as an alternative to other business models is its budgetary unpredictability. All these factors have to be kept in mind if the implementation of a Pay-Per-View service is taken into consideration as replacement of direct subscriptions or the consortium, but also if Pay-Per-View is envisaged as a supplementary model of providing scientific literature. Last but not least it can be assumed that literature made available just via Per-View-View or document delivery (the latter has been used for several years in the library sector being the cheaper alternative to Pay-Per-View) will be disadvantaged as to its reception and citation, since Pay-Per-View articles cannot be downloaded instantly by the users themselves.

Weaknesses of the Big Deal / Consortia: In spite of the fact that this quantitative and qualitative analysis shows that big deals in the frame of consortia are more cost-effective, user-friendly and administratively easier to handle, this business model also bears considerable negative side-effects. In return for relatively favorable conditions in a consortium, publishers secure themselves stable revenue by multi-year agreements with very low swap and cancellation allowances. The lack of flexibility of such agreements severely inhibits the adaptation of an institution's portfolio according to its needs. It also implies that libraries are forced to maintain subscriptions to journals whose usage would normally not justify a full-paid subscription. Hence, big deals in a consortium restrict downsizing and do not offer a real potential for savings. Moreover, publishers increasingly tend to offer their content in packages, collections or even their full portfolio[13]. Business

[11] Kirlidog, M. and Bayir, D.(2007): "The effects of electronic access to scientific literature in the consortium of Turkish university libraries", p. 102, 105 and 113

[12] This is the case in Austria where consortia are handled by a Central Head Office.

[13] The big deals of large publisher have a knock-on effect on smaller publishers, which increasingly also pursue the policy of offering all or nothing deals. This has even reached the point, where independent publishers are joining forces and setting up alliances to sell their content in one package (e.g. the Independent Scholarly Publishers Group – ISPG).

models, where libraries are given the opportunity to make their own collection development based on the needs of their users are in most cases over-priced, which means that libraries have no other choice than entering all-or-nothing deals. Of course also big deals are subject to the "usual" price spiral and price caps well above the inflation rate are still the rule rather than the exception[14]. Another problem with big deals in consortia is the administration of the packages themselves and - more importantly - of the holdings of the participating institutions, which usually are the basis of big deals. Handling pooled swap and cancellation allowances in a consortium requires well-trained personnel and know-how (actually an electronic resource management system would be needed in such cases) as well as solidarity among the institutions part of the deal. Licensing content in a big deal means that a major part of the content is made available online only. Libraries have to come up with long-term preservation strategies, preferably also independent of commercial providers. The change from print to online also means a shift from ownership to usage (in most cases perpetual access rights are only granted for full-paid subscriptions; for big deals post-cancellation rights are only applied to paid-for years at best). In Austria the switch to e-only does not entail financial savings, as online resources are taxed 20 %, whereas the value added tax for printed resources is 10 %. Another less visible disadvantage at first glance is the assumption that big deals affect the citation behavior of researchers and scientists. Studies have shown that the instantaneous availability of full-texts influence the use and citation of these texts. Licensing the same packages by many institutions in a consortium affects the citation behavior of scientists in a way that the impact factors of journals in these packages mount to a non-balanced extent[15]. Last but not least it has to be noted that by sticking to the big deal in the long run, libraries contribute to maintaining the monopoly-like dominance of large publishers in the information market.
The negative consequences as well as the positive effects of walking away from the big deal are described by Nancy J. Gibbs, head of the acquisitions department at Duke University in Durham, North Carolina. Around 750 journals were lost as a consequence of the cancellation of big deals with Elsevier and Blackwell, whereas the subscription content costs for Elsevier went up from 7.5 % in 2003 to 20 % in 2004. Positive side-effects of the cancellations were that the institution was again able to make a collection development that actually met the needs of the institution as well as increased awareness among all stakeholders involved for the budgetary difficulties of the library[16]. In Austria walking away from the big deal started in 2010 with one large university renouncing one major big deal, but it is expected that more institution will follow once the current term of big deal license agreements will end (by the end of 2012). The main reasons for this are the general economic downturn and budgets cuts at libraries as well as the strong sensation that big deals no longer offer enough value for money. However, according to current publishers' policies, walking away from a big deal does not allow an institution to go back to the status before the big deal, i.e. lot of content will be lost until the point of saving is reached. Moreover, if a consortium partner withdraws from the big deal, conditions for the remaining institutions will deteriorate. Nevertheless, institutions that have renounced big deals seem to be able to cope. A large university, which cancelled two big deals, made savings of around 30 % and managed to keep user complaints

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[14] In one of the Austrian biggest consortia list prices were below the agreed upon price increase for two years in a row, i.e. the negotiated price increase did not protect the library from excessive price increases but eventually severely backfired.
[15] Hellriegel, Patricia & Van Wonterghem Kaat (2007): Package deals unwrapped… or the librarian wrapped up? "Forced acquisition" in the digital library, p. 68
[16] Gibbs, Nancy J. (2005): Walking away from the ‚big deal': consequences and achievements, p. 92

low at the same time[17]. According to a survey carried out by Jill Taylor-Roe among libraries in the UK, Australia, New Zealand and Europe, 41 % of the librarians said that big deals account for 26-50 % of the journals budgets, more than 25 % reported that between 51 and 75 % of the journals budget are spent on big deals and nearly 13 % said that big deals account for more than 75 % of the journals budget. When respondents were asked about their policy regarding big deals for the next three years, 38 % said that they would maintain the big deals they already had, but 28 % stated that they will only take on new big deals if existing big deals were cancelled and 24 % said that will actively seek to reduce big deal expenditure, whereas only 3 % said they would actively try to add more big deals[18].

Prerequisites and Outlook: In the short term no upheaval of the prevailing business models in the scientific information market can be expected. Direct subscriptions and big deals in consortia will continue to be the dominant ways of acquisition. However, in the light of the financial pressure on libraries, more institutions might walk away from big deals due to the lack of flexibility relating to the term of agreements and pricing. Pay-Per-View is expected to remain a niche product and makes up together with interlibrary loan and document delivery services a reasonable addition to direct subscriptions and big deals. In case of a major shift from direct subscriptions and consortia to Pay-Per-View against all odds, publishers will surely set the price of Pay-Per-View at a level that will allow providers to continuously generate "adequate" income. A change of business models from direct subscriptions and consortia to other business models such as Pay-Per-View or Open Access would also not amend the general flaw of the scientific information sector, which is a dysfunctional monopoly market where commercial providers are still able to more or less dictate prices due to the fundamental lack of regulation.

Even if big deals and consortia will remain the prevailing business models in the near future, they have and will further come under close scrutiny. Golnessa Galyani Moghaddam and V.G. Talawar have brought this issue to the point. According to them, "*library consortia are considered as a coalition between libraries, publishers and vendors. They often provide a reasonable price in a win-win-situation for all stakeholders. Thus, libraries have increasingly turned to consortia as a way of brokering better prices and rendering rapid and efficient services to information seekers. However, library consortia are facing new challenges, such as increasing expectations and a static budget, fair use, archiving of information, pricing strategies, measures of effectiveness and licensing e-resources*"[19]. In the UK a radical re-assessment of big deals is under way. David C. Prosser, executive director of Research Libraries UK (RLUK) admits, that *"the only way to get the cheapest cost-per-download is to take big deals"*. However, he also says that *"the 'per serving price' of these all-you-can-eat options may be affordable, but the total price certainly is not"*. RLUK announced at its meeting in November 2010 that it will not support future big deals unless they showed real price reductions. JISC Collections, who negotiate on behalf of the UK higher education sector with publishers, has been instructed to secure license agreements which *"will not only rescind the unreasonable price increases of the last three years, but also offer affordable deals for the future"*. Prosser also writes that *"if reasonable deals cannot be struck, RLUK libraries will be forced to provide information resources to their researchers and student in*

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[17] Aspesi, C. and Sleeman A. (2011): "Reed Elsevier: The Inevitable Crunch Point – Downgrading to Underperform Because of Growing Concerns on Elsevier, March 10th, 2011, p. 1

[18] Taylor-Roe, Jill (2010): 'To every thing there is a season': reflections on the sustainability of the 'big deal' in the current economic climate, p. 25 and 29

[19] Moghaddam, G.G. and Talawar, V.G. (2009): „Library consortia in developing countries: an overview", p. 102

other ways"[20]. It can be assumed that this trend will expand to other countries in Europe and elsewhere in the world, if it hasn't done so yet. In Austria, university budgets will be frozen as of 2012, i.e. falling in real terms, which will of course have a serious effect on libraries budgets. Renouncing big deals is already imminent. In spite of the budgetary problems of libraries looming large, most of the publishers, especially the global players, still haven't acknowledged the need for change. Derk Haank, CEO of Springer Science + Business Media, said in interview at the beginning of this year: *"The big deal is the best invention since sliced bread. I agree that there was once a serial pricing problem; I have never denied there was a problem. But it was the big deal that solved it"*[21]. Graham Taylor, Director of Educational, Academic and Professional Publishing at the Publishers Association in the UK, stated in an interview about the cost of peer-review (which is of course borne by the universities and other institutions themselves such as the cost of writing the article by the authors) that *"the only way for universities to save money is to make people redundant"*[22].

While many other lines of business have faltered during the most recent recession, the journals publishing sector (at least the business of the big players) has not only remained untroubled but even soared. Elsevier, for example, one of the biggest journals publishers, made GBP 724 million on revenues of GBP 2 billion last year – an operating-profit margin of nearly 36 %[23]. However, the days of the golden age might be counted very soon. Claudio Aspesi and Anthony Sleeman of Bernstein Research state in a recent analysis that Elsevier has become vulnerable in its upcoming big deal negotiations and have downgraded Reed Elsevier to "underperform". The probability of a wave of renounced big deals cannot be rules out any longer, which is why Aspesi and Sleeman have quantified a 25 % reduction in Science & Technology journal spending and a 15 % cut in Health Science journal spending between 2012 and 2015. The reason why libraries are seen to be in a very strong position to win considerable price reductions from Elsevier are the still weak financial climate, which make academic libraries' threats to discontinue big deals more credible, as well as Elsevier's need to avoid negative headlines and the absence of workable alternatives at Elsevier if big deals are cancelled to a large extent[24].

Elsevier is of course not the only publisher threatened by the cancellation of big deals. If publishers in general want to keep up the big deal, which certainly has its benefits for all stakeholders, they must eventually meet the concerns of libraries and act accordingly. The prerequisites for keeping up the big deal are:

► considerable price reductions for e-only in order to cancel out the cost of the VAT

► price caps well below the inflation rate

► favourable conditions also for one-year deals

► opt-out clauses without penalty in case of multi-year agreements

► substantial cancellation and swap allowances

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[20] Prosser, D.C. (2011): „Reassessing the value proposition: first steps towards a fair(er) price for scholarly journals, p. 61 and 62

[21] Poynder, R. (2011): "Not Looking for Sympathy", An Interview with Derk Haank, Information Today, January 2011: http://www.infotoday.com/IT/jan11/Interview-with-Derk-Haank.shtml (assessed May 2011)

[22] Jump, P. (2010): „Pay out then priced out: bid to rein in high journal costs", Times Higher Education, November 4t[h], 2010, http://www.timeshighereducation.co.uk/story.asp?storycode=414106 (assessed May 2011)

[23] Academic publishing: of goats and headaches", The Economist, May 26t[h] 2001, http://www.economist.com/node/18744177 (assessed June 2011) and Reed Elsevier 2010 Results, http://www.reed-elsevier.com/mediacentre/pressreleases/2011/Pages/reed-elsevier-2010-results-announcement.aspx, p. 5 (assessed May 2011)

[24] Aspesi, C. and Sleeman, A. (2011): „Reed Elsevier: Bringing down the house – Why Elsevier is Vulnerable in its Upcoming Big Deal Negotiations", Bernstein Research, March 29[th], 2011, p. 1-2 and 8

► real choice of business models aside from big deals

► improved usage rights (ILL, document delivery services, scholarly sharing, etc.)

► better post-cancellation rights

► no more out-dated business models based on historic print spend

► no punishment of remaining consortium members if an institution drops out

► refund libraries the cost of Open Access publishing fees

Until this happens, libraries are required to come up with best practices about how to maximize savings from renouncing big deals and at the same time minimize user complaints.

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