



# The CHARLESTON REPORT

*Business Insights into the Library Market*

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## Libraries on the Move

The Ames (Iowa) Public Library has received a gift of \$500,000 from the estate of town resident Verna Jane Thompson, who is said to have been “a library user who just had a real appreciation for what the library did for the community.” The funds will be used to ease the library’s space crunch. *Ames Tribune*, fulltext is available at [www.zwire.com/site/news.cfm?newsid=7607904&BRD=2035&PAG=461&dept\\_id=238101&rfi=8](http://www.zwire.com/site/news.cfm?newsid=7607904&BRD=2035&PAG=461&dept_id=238101&rfi=8).

Gifts totaling \$24 million have been presented to two California university libraries. Loyola Marymount University has received \$20 million and Santa Clara University has received \$4 million from local philanthropist and real estate developer William Hannon, a 1937 graduate and Honorary Trustee of Loyola Marymount. The \$20 million gift will be applied toward a new library at Loyola Marymount, a project estimated at \$44 million. The \$4 million gift to Santa Clara will be used to purchase and install an automated storage and retrieval system to be used in the library’s 1.5 million-item high-density storage facility. *Library Journal*, June 15, 2003.

Two library networks have announced new database partnerships. Palinet has reached an agreement with Classical Music Library (formerly classical.com) to offer the music database to its member libraries, while Greenwood Electronic Media has announced an agreement with OCLC Western to offer discounted pricing on Greenwood’s more than 100 online sourcebooks. Press Releases, July 2003.

## Hot Topics from the 5<sup>th</sup> Fiesole Collection Development Retreat

Oxford 2003, July 24-26, 2003

Somerville College, Oxford University

### “Authors to Readers: Who Are We Serving? How? and How Well?”

The 5<sup>th</sup> Fiesole Retreat brought together a select group of leaders in the fields of librarianship, international publishing, and even international investment banking from the U.K., U.S., Europe, and Australia to discuss current and new trends in the information industry. Three keynotes and three panels presented papers from a wide variety of view points. This year, as many participants in the retreat noted, marked one of overall agreement on the main issues. A selection of key points and statements follows:

- Libraries have never arranged physical books by publisher, yet are doing this in the digital environment.
- Content needs to be more innovative, less “book-like,” more malleable and re-shapeable.
- Time and convenience are the major “use forces.”
- The social role of libraries remains paramount. The library is one of the most used public spaces.
- Even in the digital environment, libraries are building research collections for the future and the future scholar.
- Students use “mixed media” and still like books.
- Google is the search engine of choice.
- Libraries must provide supportive training to users and teach skills in assessment and evaluation to be applied to Web sources.
- Usage statistics do not tell use by whom, of what, or why.
- Students will choose buttons that say “easy” or “quick,” as in “quick search.”
- For a scholar choosing to publish his/her article, a journal’s speed and quality of refereeing are most important along with the journal’s reputation.
- The brand identity of the journal is important to the author, but the publisher is unimportant.
- Researchers are information rich and time poor — that is, they are overloaded with information and do not have time to master the complex information systems we are presently creating.
- Aggregated monograph packages and “slices of monographs” will become increasingly popular with users.
- Our market is very interesting to financial investors because of its stable growth, low risk, and high cash flow conversion.

Note to *TCR* Readers: A complete conference report for Oxford 2003 will appear in *Against the Grain* later this fall. Powerpoints from this meeting and previous retreats are posted at <http://digital.casalini.it/retreat/index.htm>.

## Top Ten Countries Ranked for Business

Canada will be the best country in the world in which to conduct business over the next five years, according to the latest business environment rankings from the Economist Intelligence Unit. Canada assumes the top position for the first time and displaces the Netherlands, which had previously headed the rankings.

Business Environment and Ranks	2003-2007 Total score	Rank
Canada	8.65	1
Netherlands	8.64	2
Finland	8.58	3
UK	8.54	4
USA	8.47	5
Switzerland	8.46	6
Singapore	8.46	7
Hong Kong	8.46	8
Denmark	8.44	9
Ireland	8.34	10

The Economist Intelligence Unit's global business rankings model is applied to the world's 60 largest countries and measures the quality or attractiveness of each business environment and its key components. The model considers 70 factors, across 10 categories, which affect the opportunities for, and hindrances to, the conduct of business. Economist Intelligence Unit Press Release, July 16, 2003.

### TCR Quotes

"We found we had great collections, but nobody in town liked them as much as we did," says Dan Walters, Director of the Las Vegas Clark County Library District, *LJ's* Library of the Year for 2003, referring to the library's need to offer material in more languages to reflect the diversity of the community.

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*The Charleston Report* is written for publishers, vendors, product developers, merchandisers, and wholesalers who are interested in expanding their library market. Readers will gain insights in effective marketing to libraries, early alerts to library trends, access to library leaders' future plans, library budget projections, library strategic plans, technology directions, and publications needs.

For comments and contributions, contact Rebecca T. Lenzini, <rlenzini@charlestonco.com>, Editorial Offices, 618 South Monroe Way, Denver, CO 80209. 303-282-9706, FAX 303-282-9743, (c) Copyright 2003, The Charleston Co. All rights reserved. ISSN 1091-1863.

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## By the Numbers

**1,300...**libraries have registered "wish lists" in the gift registration section at Amazon.com. In addition, 1,800 churches and 1,200 schools have also created lists of items they would like to receive. *New York Times*, June 5, 2003.

**78%...**of State Library Administrative Agencies report performing a "substantial" amount of digitization activities, compared to 32% of museums, 34% of academic libraries, and 25% of public libraries, according to a recent survey conducted by the Institute for Museum and Library Services (IMLS). *Library Hotline*, June 2, 2003.

**286,000...**copies of *Harry Potter and the Order of the Phoenix* were sold by Barnes & Noble in the first hour it was available (roughly 80 books a second). The number sold by all 630 B&N stores in the first day was 896,000. *Wall Street Journal*, June 23, 2003.

**16 million...**new, free books and other literacy resources have been given to nearly 5 million children by Reading Is Fundamental, Inc. RIF is the oldest grassroots literacy network in the U.S. with more than 435,000 community volunteers. *Press Release*, June 17, 2003.

**203,000...**items in languages other than English circulated in the last year at the Las Vegas Clark County Library District. The library recently added 21,000 new items in Spanish alone. *Library Journal*, June 15, 2003.

**50%...**of U.S. homes with television sets now also have DVD players. *New York Times*, August 17, 2003.

**16,298...**is the number of public libraries, including branches, in the U.S. Academic libraries number 3,658, while school libraries count 93,861. *LJ Index*, "2003 Movers and Shakers."

### New Study of Online Publishing Practices Now Available

The ALPSP (Association of Learned and Professional Society Publishers in the UK) has carried out a major new study of the policies and practices of 275 international academic journal publishers in the area of online publishing.

Respondents were fairly evenly divided, with 45% from the UK, 10% from the European continent, 35% from the U.S. and 10% other. Commercial publishers represented 31% of those responding, with 69% not-for-profit publishers; 57% were characterized as STM publishers, 21% humanities and social sciences.

Among the findings of the report are that 75% of journals published by those surveyed are now online (72% in the humanities and 83% of STM). Larger publishers and commercial publishing houses have launched more new journals in the past five years than their counterparts (i.e., smaller publishers and not-for-profits). In addition, these same publishers are more likely to have comprehensive linking services in operation for their journal articles, a service which is highly valued by users. The report also discusses back issue availability and pricing approaches, including consortial pricing.

An executive summary of the report is available online at <http://www.alpsp.org/news/sppsummary0603.pdf>.

Authors are John Cox and Laura Cox, John Cox Associates, ISBN: 0-907341-24-1 (June 2003).

# Conclusions from Oxford 2003:

... Closing Remarks by Ward Shaw, Founder of CARL and UnCover

## Things we agree on —

The future is electronic, and that will get most of the attention, but print will not die. Print becomes a byproduct of electronic rather than the other way around.

We agree, in general, on user requirements. Studies seem to be remarkably consistent in uncovering what users want and need. It is also clear that convenience and ease of use wins. This is no surprise, but what is, is that we seem to agree on it.

The use patterns of scholarly information seem to be very consistent from study to study, and we're probably at a place where we can make generalizations with some confidence.

Major caveat — User studies continue to tell us more about the systems being used than about user needs or natural patterns.

The impact factor remains the major index of the reputation of a journal.

Journal-centered branding hugely dominates over publisher or article-centered branding. Question — why do we still organize the Web by publisher?

Publisher efforts are largely toward authors, and the whole process of scholarly publishing seems to be author-driven. Journal brands are largely directed toward potential authors and their perceptions of the relative prestige of individual journals — often measured by the impact factor. Surprisingly, no one mentioned co-location of related content as an important element of journal branding (or design).

There may be a shift coming from our recent model of “pay to use” to a new model (actually a return to an old model) of “pay to publish.”

## Major disagreements —

Who controls packaging? Publisher, author, user, library, institution, ...? Who should control? This is most likely to become the next war.

And, related, who controls security and payment overlays, and how disruptive are they? It does seem clear that we must solve this one, or our users will disappear in droves.

Pricing. One publisher speaker said, “Why do we price gouge? Because we can.”

## Things we need to talk about, but didn't, or, as the Brits say, “matters arising” —

Who pays, who buys, and at what level — article, journal, publisher's whole or packaged output, or some new thing. The market is clearly broken in a classic economic sense and does not behave classically rationally. What are the appropriate chunks of value?

We nearly always talk from an academic point of view, although large numbers of our users AND authors (30% was mentioned by one speaker) are not associated with an academic institution.

External forces will continue to play a strong role.

There is a growing sense on the part of many that public monies (taxes) pay to produce and then re-acquire scholarship, and that it ought to buy public content — not restricted licenses.

Technology will continue to play a driving role. We will do things because we can.

We need to pay attention to institutional change and pressure and not underestimate the push to go around the system we've created.

Financial ownership, as our presenters from the financial sector showed, trumps other values every time. We (particularly STM publishing) are considered a great investment ground because we're relatively stable, cash conversion of EBITDA is very high (note that that means that money is leaving the system), and the market is not price sensitive — that is, publishers can charge pretty much whatever they want.

We don't like to think of what we do as somehow “tainted” by the evils of economics, profits, politics, etc., but of course it is. Holding a view that we or any one of our component sectors is somehow “pure” is a sure recipe for irrelevance and death. But, said one speaker, “Who wants facts to interfere with our prejudices?”

Finally, we must not close the system, but rather open it — else we will be overrun.

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## Mark Your Calendars: ALA Midwinter Preconference on Electronic Resources

“Taming the Electronic Tiger: Effective Management of Electronic Resources,” will be offered as an all-day Preconference to ALA's Midwinter Meeting in San Diego, California, on Friday, January 9, 2004 by the American Library Association's Association of Library Collections and Technical Services (ALA ALCTS) Serials Section. The session will focus on management of electronic resources, covering technical as well as administrative matters.

### Speakers include:

- **Friedemann Weigel** (Harrassowitz) on the topic of standards, in particular the NISO initiative on the exchange of serials subscription information as it relates to electronic journals.
- **George Machovec** (Colorado Alliance of Research

Libraries and Managing Editor of *The Charleston Advisor*) on linking and third party services.

- **Richard Boss** (independent library technology consultant) on ILS (Integrated Library System) solutions for managing e-resources.
- **Phil Davis** (Cornell University) on the management of use statistics and Project COUNTER.

A Vendor Showcase will be included. Registration information and further details about the meeting will be available on the ALCTS Website in mid-to-late September. The current URL for the symposium is [http://www.ala.org/Content/NavigationMenu/ALCTS/Continuing\\_Education2/Events11/Midwinter\\_Meeting3/Effective\\_Management\\_of\\_Electronic\\_Resources.htm](http://www.ala.org/Content/NavigationMenu/ALCTS/Continuing_Education2/Events11/Midwinter_Meeting3/Effective_Management_of_Electronic_Resources.htm).

## Short Takes

BookPage, publisher of a monthly general interest book review, has announced "BookLetters," a new electronic newsletter service for libraries which enables patrons to sign-up for selected information on new books. BookLetters offers libraries a selection of 15 genre-specific e-newsletters composed primarily of BookPage book reviews and features, such as "Meet the Author." Using an automated sign-up page, patrons choose the newsletters they want to receive, based on their areas of interest. E-newsletters are maintained by the BookLetters staff and can also double as pages on the library's Website. BookLetters is a joint venture of BookPage and BookSite, which offer e-commerce solutions for bookstores and publishers. For more information, logon to [www.bookletters.com](http://www.bookletters.com).

Amazon.com has announced that it will create a searchable online archive of the texts of thousands of non-fiction books. The service, called "Look Inside the Book II," is expected to start in the fall of 2003 and is being pitched to publishers as a way to help sell more print books while better serving online consumers. When running, the service will allow term searching and will produce a list of "hits" — books with the term along with sentence that contains it. Users will then be able to see several pages around a chosen citation. Amazon has stated that it will require user registration for the service and will limit the amount of any single book which can be viewed. *New York Times*, July 21, 2003.

BookFinder.com has published the "BookFinder.com Report," based on analysis of aggregate trends for out of print book searches between July and December of 2002. The Report offers top 10 lists of the most desired out-of-print books for the following subject areas: Arts and Music, Biography, Children's, Crafts and Hobbies, Fiction and Literature, History, Mysteries and Thrillers, Poetry, Popular Science and Technology, Science Fiction, Fantasy, and Horror. To view the individual titles in each list, logon to <http://report.bookfinder.com>.

On June 15-17, 2003, the National Science Foundation hosted an invitational workshop, organized by Ron Larsen of the University of Pittsburgh and Howard Wactlar of Carnegie-Mellon University, on the topic of "Post-Digital Libraries Research Futures." Participants were asked to prepare background papers which are now available online; these papers provide a spectrum of perspectives on potential future research agendas for digital libraries and a host of related technologies. To read or download the papers, logon to <http://www.sis.pitt.edu/~dlwks/papers.html>.

## Charleston Advisor "Best and Worst" Awards for 2002/2003 Published

For the third year *The Charleston Advisor's* Readers' Choice Awards have been published in the July 2003 issue (v.5, no.1). The awards are given for the best and worst electronic services and databases for libraries. Awards are not necessarily limited to products covered by *TCA*; however, *TCA* reviews (if available) were consulted in the final consideration.

These awards are published on an annual basis in the July issue. Input was provided by readers through the *TCA* Website ([www.charlestonco.com](http://www.charlestonco.com)). Final selection was made in a *TCA* editorial board conference call on July 1, 2003. Awards are given in ten standard categories; special one-time awards are periodically given.

### Five Star Award (one-time special award)

Ann Okerson and Liblicense for contributions to the library community in the licensing of digital content

**Best New Product** — [www.erudit.org](http://www.erudit.org) (University of Montreal institutional repository)

**Most Improved Product** — BioMed Central

**Best Interface** — No nominations this year

**Best Content** — Alexander Street Press

Runner-up awards: Safari Tech Books Online and Project Muse

**Best Pricing** — LexisNexis (for holding the line on pricing)

**Best Contract Options** — Alexander Street Press

**Best Customer Support** — netLibrary

**Best New Effort** — Classical Music Library (formerly Classical.com)

**Best Vaporware** — divine, inc

**Lemon Award** — Elsevier customer service

**Most Complicated Contract** (one-time)  
Wiley InterScience

**Most Retrograde Contract** — OCLC for negative changes in netLibrary contract

## Did You Know?

The recorded version of the latest Harry Potter book lasts 26 hours and 30 minutes, and requires 17 cassettes (23 compact discs). The cassette version is priced at \$45; the CD set is \$75. The publisher, Random House, will offer no abridged versions. *Wall Street Journal*, June 6, 2003.

## Don't Miss These!

The Association of Research Libraries has announced two new statistical publications. For more information, follow the links below.

### ARL Statistics 2001-02: Research Library Trends

<http://www.arl.org/stats/arlstat/02pub/intro02.html>

### Monograph and Serial Costs in ARL Libraries 1986 - 2002

<http://www.arl.org/stats/arlstat/graphs/2002/2002t2.html>

## Coming in Future Issues

- The Impact Factor: What Is It? And Does It Matter?
- Preview of the Charleston Conference
- What Makes a Good Contract
- Comparing Meta-Search Engines