

Evidence-Based Selection at the University of Denver

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At the **University of Denver**, our first introduction to evidence-based selection (EBS), also called evidence-based acquisition (EBA), came about 4-5 years ago when we were approached by a large STM publisher with the earliest version of this model. Though the details are a bit fuzzy at this point, this publisher offered us something like the most recent two years of eBooks (but not the current year) on their platform, at a total price significantly higher than what we were then paying annually for their books through other sources, with the option to look at usage data at the end of the year and select eBooks to acquire for our collection permanently. We looked at our circulation data for this publisher's print books, saw that the rate of usage was relatively low, and said, "No thanks."

This first encounter with EBS turned us off of the model for a while. We were ramping up our demand-driven acquisition (DDA) program with **EBL** at that point,¹ and EBS seemed like a comparatively bad deal. DDA allowed us to pay only for the amount of use, did not require us to pay for anything more than the titles with use, and did not tie us to any particular publisher. EBS, on the other hand, required us to deposit a set amount of money with a single publisher, and obligated us to select books for perpetual access whether they were used or not. DDA seemed like a better investment for us.

We remained interested in EBS, however, because it had some intriguing benefits not available in an aggregator-based model. Most significantly, because some publishers have held titles out of DDA programs, publisher-based EBS would allow us to acquire titles that were not otherwise available to us on demand, and because these titles were on the publisher's platform, they would generally have less restrictive digital rights management (DRM). In addition, as we were hearing from publishers that declining sales were making it difficult for them to continue publishing some types titles, we felt that this would be a way to guarantee some publishers consistent revenue.

In January 2013 we began an EBS program with **Palgrave** as a way of exploring how this model might work at the **University of Denver**. As a publisher for which we had high circulation rates, **Palgrave** seemed like a good choice for expanding access through EBS.

How EBS Works

EBS is a fairly simple model, which allows an eBook vendor to provide a library with access to a collection of titles for some pre-determined time (generally a year) in exchange for a deposit of money and an agreement to select titles valued at that deposit amount at the close of the agreement.² In practice, any eBook provider could offer EBS, but it has so far been offered on publisher platforms. Unlike DDA, which requires a sophisticated technical infrastructure to allow a mix of short-

term loans and auto purchases, EBS does not require anything further than the ability to sell eBooks on a title-by-title basis so a wider range of vendors can use it.

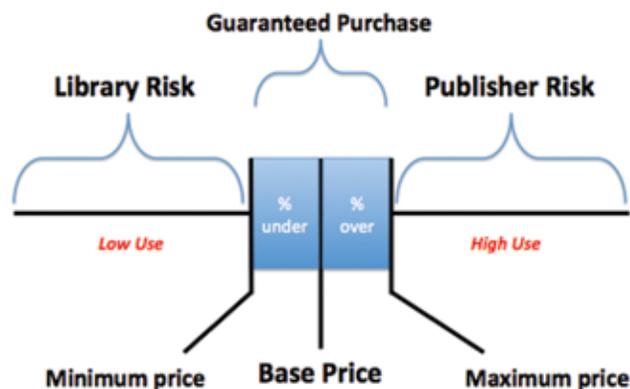
In establishing an EBS program, the library and eBook provider need to agree to terms up front, including how much money should be committed, how many eBooks to make available, how long to run the program, whether new releases will be added as they are published, and whether to include rules that trigger a purchase or allow that decision to be left entirely to the library. Each of these decisions represents a tradeoff of risks and rewards for library and publisher.

The first decision to make is how much money should be committed. This is also the riskiest decision for either partner. For the library, over committing could lead to eventual purchase of unused titles. For example, if a library commits \$50,000 for the year, but only \$35,000 worth of titles is used, that library would still be obligated to identify and purchase an additional \$15,000 worth of titles. For the publisher, a small commitment of money with high usage of titles might mean that many highly used titles go un-purchased. In this scenario, with that same \$50,000 commitment, but with usage of \$65,000 worth of titles, the library would only be obligated to purchase \$50,000 worth of books. The relative risk changes if there are minimum thresholds of use that trigger a purchase (for instance, all books with two or more uses must be purchased) or if the only obligation is for the library to purchase titles up to the committed amount.

The next decision is how many eBooks to include in the agreement. From a library perspective, having the broadest range of titles available as possible would likely be most appealing, but could potentially lead to a greater commitment of money. From a publisher perspective, the larger the set of titles, the greater the risk of providing access to material that might be used without payment. This pool of titles could be selected title-by-title, by subject, by publication year, or could include all titles available on the platform, including new titles added as they are published.

With these decisions and risks in mind, the library and publisher can tailor an EBS plan to their specific needs. Balanced against the risks, there are rewards for a library — a wider range of titles available to its users than would be possible with speculative purchasing — and for the publisher — a guaranteed stream of revenue

from that library for the year. With this mix of risks and rewards in mind, the library and publisher should be able to come up with a reasonable commitment for the year. Recognizing that libraries generally have flat or declining book budgets, but that EBS allows a library to get access to more books than under traditional models, an analysis of recent spending by the library on the publisher's books seems like a reasonable starting point. Recognizing the risks that each side takes on, it makes sense to establish some higher and lower spending and usage thresholds that mitigate that risk for each. Figure 1 shows how this model might be applied if a library and publisher agreed to a base commitment but promised that if certain usage thresholds were hit the library would pay up to a certain percentage more, and if usage was below a certain amount the library would pay up to that percentage less. [See Figure 1 below.]



After determining how much money to commit and which titles will be available in the pool, the next step is considering how titles will eventually be selected for purchase. It can be as simple as just agreeing to spend the committed sum at the end of the year, with all choice on titles up to the library, in which case the publisher will provide the library with usage data and the library will select titles based on whatever criteria it wishes. In this case, a library might opt to choose the most highly used titles or might opt to buy some lower used titles for some reason. But these decisions can be more complex, and some of that complexity could benefit the library. For instance, a library might negotiate to allow both package and title-by-title selection within the program, and could negotiate for a discounted price when selecting a subject package. Or a library could negotiate to pay list price for titles with a minimum threshold of use but a discount on unused or low-use titles that it opts to purchase. Another scenario might involve usage thresholds that require a purchase, with all books used three or more times, for instance, requiring a purchase.

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While most EBS programs are established on an annual basis, it makes sense to think of them as ongoing projects that would be used to build collections over time. In this case, it is important to look at usage over multiple years, both of purchased and un-purchased titles. A title used once in each of the first two years of a program might make a good candidate for purchase in the third. And patterns of usage for titles already purchased might be useful for assessing future purchases.

EBS at the University of Denver

After a modest start, the **Palgrave** EBS program has evolved into a success. In January 2013, we made 11,871 titles available and deposited \$33,500, which was a little more than we had spent annually on print titles on average over the previous two years. This increased to 13,461 titles in 2014 with a deposit of \$36,850. By the middle of 2015, we had 14,742 titles available for potential purchase with a deposit of \$40,535.

We did not have any set expectations for usage, but did hope to avoid purchasing titles with no demonstrated usage, and ideally hoped to purchase only titles with multiple uses. In each of the first two years we have ended up purchasing some single-use titles. In 2013, we had 795 uses spread across 466 titles, with only 163 of these used two or more times. We ended up purchasing 357 titles. In 2014, we had 1,483 uses spread across 914 titles, with 279 of those used two or more times. 71 of these titles, with 172 uses, were titles we had already purchased in 2013. We ended up buying an additional 373 titles in 2014. Of the 71 titles purchased in year one and used again in year two, 36 had had just a single use in 2013. From January through July 2015, usage has increased dramatically. In the first seven months of the year, 841 titles have been used 2,050 times (as opposed to 914 titles used 1,483 times in all of 2014). 438 of the titles

| | 2013 | 2014 | 2015 (Usage through July 31) |
|-----------------------------|----------|----------|------------------------------|
| Amount Deposited | \$33,500 | \$36,850 | \$40,535 |
| Titles Available | 11,871 | 13,461 | 14,742 |
| Titles Used | 466 | 914 | 841 |
| Titles Used 2+ Times | 163 | 279 | 438 |
| Uses | 795 | 1,483 | 2,050 |
| Titles Purchased | 357 | 373 | |

used so far in 2015 have been used two or more times. See Table 1 for details about usage and purchasing. [See Table 1 above.]

Our selection criteria in both years were straightforward. We purchased all of the titles in 2013 that had multiple uses and chose single-use titles on political science and international relations, subjects that typically get used heavily at the **University of Denver**. In 2014 we used the same criteria, and also looked at usage of titles in 2013, when possible selecting titles with a single use in year one and a second single use in year two. The dramatic increase in usage in the first seven months of 2015 indicates that in the third year of the program we will end up selecting only titles with multiple uses.

Conclusions

Evidence-based selection is a model that allows an eBook vendor to develop a demand-driven acquisition program without having the complex technical infrastructure required for automatic DDA. As with any DDA program, it requires the library and vendor to work together to identify the right mix of titles to make available to users relative to the amount of money committed. In the **University of Denver's** experience with **Palgrave**, those decisions seem to have worked. In the first two-and-a-half years of the program, the library has spent a little more money than it was spending on print **Palgrave** titles in the past, but has gained access to far

more titles than it could afford to purchase speculatively. All of the titles purchased have been used at least once, and usage has increased every year.

If implemented correctly, EBS can benefit both the library and the publisher. **Palgrave** has seen increased spending at the **University of Denver** at a time when monograph spending in general has gone down. The university has been able to provide its users with more titles than it was able to in the past, while purchasing only titles with demonstrated demand. 🐼



Endnotes

1. **Levine-Clark, Michael**, "Developing a Multi-Format Demand-Driven Acquisition Model," *Collection Management* 35, nos. 3-4 (2010): 201-207; **Levine-Clark, Michael**, "Building a Demand-Driven Collection: The University of Denver Experience," in David Swords, ed. *Patron-Driven Acquisitions: the Revolution, the Evolution, and the Future*. Invited chapter. (Munich: K.G. Saur, 2011): 45-60.
2. **NISO DDA Working Group**, *Demand-Driven Acquisition of Monographs: A Recommended Practice of the National Information Standards Organization*. (Baltimore: National Information Standards Organization, 2014), http://www.niso.org/apps/group_public/download.php/13373/rp-20-2014_DDA.pdf. Accessed 22 August, 2015.