

Demand Driven Acquisition of Monographs

*A Recommended Practice of the
National Information Standards Organization*

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Prepared by the NISO DDA Working Group

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Contents

Foreword	vii
Section 1: Introduction	1
1.1 Background and Problem Statement.....	1
1.2 Scope	2
1.3 Methodology	2
1.4 Terms and Definitions	2
Section 2: Key Aspects of DDA	5
2.1 Sustainability	5
2.2 Free Discovery	5
2.3 Temporary Lease.....	5
2.4 Purchase.....	6
2.5 Alternative Models	7
Section 3: Goals and Objectives of a DDA Program	8
3.1 Breadth of the Program	8
3.2 Access vs. Ownership	8
Section 4: Choosing Parameters of the Program	9
4.1 Overall Goal and Philosophy of the Program	9
4.2 Triggers and Transactions	9
4.2.1 Overview	9
4.2.2 Automatic Financial Transactions	10
4.2.3 Evidence-Based Acquisition (EBA).....	10
4.3 Loan Periods.....	11
4.4 Print.....	11
4.5 Print on Demand (POD).....	11
4.6 Suppliers	11
4.6.1 Overview	11
4.6.2 Commercial Aggregator	12
4.6.3 University Press Aggregator	12
4.6.4 Publisher	13
4.6.5 Approval Vendor	13
Section 5: Profiling	14
5.1 Ensuring a Pool of Adequate Size Relative to Budget and User Base	14
5.2 Identifying Books (Subject and Non-Subject Parameters)	14
5.3 Relationship to Print – To Duplicate or Not to Duplicate	15
5.4 Retrospective Titles	15

Section 6: Managing MARC Records for DDA	16
6.1 Discovery Records.....	16
6.1.1 Customization and Enrichment	16
6.1.2 Discoverability	16
6.2 Point-of-Purchase Records.....	17
6.2.1 Overview	17
6.2.2 Library Catalog/OPAC	18
6.2.3 Discovery Tool	18
6.2.4 Shared/Consortial Catalog.....	18
6.3 Tracking Spending in the ILS.....	18
6.3.1 Overview	18
6.3.2 Order Records for Short Term Loans	18
6.3.3 Order Records for Auto Purchases.....	19
Section 7: Removing Materials from the Consideration Pool	20
7.1 Reasons for Removing Materials.....	20
7.2 Profiling (Subject and Non-Subject Parameters).....	20
7.3 Frequency	21
7.4 Discovery Records.....	21
7.4.1 Local Catalog/OPAC	21
7.4.2 Discovery Tool	22
7.4.3 Shared/Consortial Catalog.....	22
7.4.4 Other	22
Section 8: Assessment	23
8.1 Need for Assessment	23
8.2 Data Sources	23
8.2.1 COUNTER	23
8.2.2 Vendor/Supplier Reports.....	23
8.2.3 Circulation Data.....	24
8.2.4 Payment Data	24
8.3 Evaluating the Overall Effectiveness of a DDA Program.	24
8.3.1 Cost Reduction.....	24
8.3.2 Use, Increased Use of Items Purchased, Continued Use of Purchased Content	25
8.4 Assessment Program to Support Predicting Expenditures	25
8.4.1 Factors Affecting Expenditures	25
8.4.2 Assessment Programs for Managing Trigger Event to Purchase Cycle.....	25
8.4.3 Assessment Programs for Managing the Consideration Pool.	26
8.5 Metrics For Evaluating Consortial DDA Programs	26
Section 9: Concerns About Providing Long-Term Access to Un-Owned Content	27
9.1 Un-Owned E-Book Content	27
9.2 Un-Owned P-Book Content	27

Section 10: Consortial Considerations for DDA	28
10.1 Unique Issues for Consortia	28
10.2 The Multiplier Model.....	28
10.3 The Limited Use Model.....	28
10.4 The Buying Club Model	28
10.5 Managing Duplication with Local Collections	29
Section 11: Public Library DDA	30
Section 12: Recommendations	31
12.1 Establishing Goals	31
12.2 Choosing Content to Make Available	32
12.3 Choosing DDA models	32
12.4 Profiling	33
12.5 Loading Records.....	33
12.6 Removing Content	34
12.7 Assessment	34
12.8 Preservation.....	35
12.9 Consortial DDA	35
12.10 Public Library DDA.....	35
Appendix A: Survey Results	36
Bibliography	37

Foreword

About this Recommended Practice

In May 2012, a proposal was submitted to NISO by Michael Levine-Clark (Penrose Library, University of Denver) on behalf of an informal DDA interest group to develop a Recommended Practice for the demand-driven acquisition (DDA) of monographs.

Libraries are increasingly implementing demand-driven acquisition (DDA) plans for some portion of their monograph collections. DDA allows libraries to:

- provide users with immediate access to a wide range of titles to be purchased at the point of need;
- present many more titles to their users for potential use and purchase than would ever be feasible under the traditional purchase model; and
- make it possible, if implemented correctly, to purchase only what is needed, allowing libraries to save money or to spend the same amount as they spend on books now, but with a higher rate of use.

As noted in the Background and Problem Statement (section 1.1), several different DDA models have been in use and a number of issues identified. The proposal suggested that a flexible model for DDA that works for publishers, vendors, aggregators, and libraries be developed to allow libraries to develop DDA plans that meet differing local collecting and budgetary needs while also allowing consortial participation and cross-aggregator implementation.

The proposal was approved by the NISO Business Information Topic Committee and Voting Members in May and June 2012, respectively, and a Working Group was formed in August 2012. Libraries, publishers, e-book aggregators, approval vendors, and discovery and catalog record providers will all be impacted by DDA and are represented on the DDA Working Group.

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The following individuals served on the NISO Business Information Topic Committee that had oversight for this work and approved this Recommended Practice.

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In addition, we wish to thank all of those who gave feedback during our focus groups, in interviews, at presentations, and through surveys.

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Section 1: Introduction

Demand-Driven Acquisition (DDA) has become a common component of academic library collection development strategies, and is poised to expand to other types of libraries. There are a wide variety of ways in which DDA can be accomplished; this document provides an overview of those options and concludes with specific recommendations in order to give guidance to libraries, publishers, aggregators, and vendors as they implement and manage DDA programs.

1.1 Background and Problem Statement

Libraries are using e-book aggregators and approval vendors to implement demand-driven acquisition (DDA) plans for some portion of their monograph collections. DDA allows libraries to provide users with immediate access to a wide range of titles to be purchased at the point of need. Though commonly referred to as patron-driven acquisition (PDA), the term demand-driven acquisition (DDA) is used throughout this Recommended Practice.

Libraries have embraced DDA because it has the potential to rebalance the collection away from possible use toward immediate need. DDA allows libraries to present many more titles to their users for potential use and purchase than would ever be feasible under the traditional purchase model. If implemented correctly, DDA makes it possible to purchase only what is needed, allowing libraries to spend the same amount of money as they spend on books now, but with a higher rate of use. Libraries may also be able to use the evidence of demand to demonstrate the value of monograph collections and in turn to protect monograph budgets from potential cuts.

Under a traditional up-front purchase model for monographs, the acquisition process ends soon after the book arrives in the library. DDA, on the other hand, requires long-term management of a preselected “consideration pool” of titles available for purchase. Libraries must implement rules and procedures for adding titles to this pool and for keeping un-owned titles available for purchase long after publication. These procedures could include automated steps for removing a subset of records at regular intervals while keeping others permanently, for indicating owned vs. un-owned content, and for managing the budget when expenditures may not be fully predictable. The process of acquisition evolves from one of getting books into the collection to one of long-term management of the discovery tools that allow for demand-driven access to monographs.

To this point, DDA has been adopted primarily by academic libraries, with very few public libraries participating in DDA projects. Because of this broader experience with DDA, some particular concerns for academic libraries, scholarly publishers, and approval vendors are already becoming clear.

- DDA may disrupt the entire scholarly communication supply chain, therefore libraries, publishers, and aggregators must be committed to working together to establish long-term sustainable models that highlight mutual benefits.
- The purchase of a book may extend over many years, causing publishers to lose the ability to plan for a financially sound program to support the dissemination of research.
- Approval vendors will need to transition from booksellers to suppliers of services to manage the consideration pool.
- Libraries will need to reconsider the balance between stewardship of research collections and provision of access to materials for current curricular and research needs.

Despite these uncertainties, it is clear that DDA will be adopted on some scale by libraries, so publishers, vendors, suppliers, and librarians need to help shape practices and tools in a way that allows the scholarly communication supply chain to continue to function effectively. Because some or all of these issues may be of concern as well to public libraries and the publishers and vendors that supply them with books, this committee has explored further the specific implications of DDA for all library types.

Most DDA plans have focused on e-books, though some have also included print books (p-books). Though some specific aspects of acquisition do vary by format, there are more similarities than differences in how the DDA process should work for both formats. Because of this, a single set of best practices for both formats was developed, with articulation of differences where they occur.

1.2 Scope

This Recommended Practice is intended to identify best practices for DDA that work for publishers, vendors, aggregators, and libraries. These guidelines will allow libraries to develop DDA plans that meet differing local collecting and budgetary needs while also allowing consortial participation and cross-aggregator implementation. They will take into account impacts of DDA across all functional areas of the library.

The recommendations address:

- Best practices for populating and managing the pool of titles under consideration for potential purchase, including methods for automated updating and removal of discovery records
- Development of consistent models for the three basic aspects of e-book DDA—free discovery to prevent inadvertent transactions, temporary lease, and purchase—that work for publishers and libraries
- Methods for managing DDA of print and electronic books
- Ways in which print-on-demand (POD) solutions can be linked to DDA
- Development of tools and strategies for measurement of use
- Models for implementation at both the local and consortial levels
- Guidelines for providing long-term access to un-owned e-book content

1.3 Methodology

The information included in this document was generated from several focus groups conducted by this Working Group; three surveys, which are summarized as an appendix; and from the knowledge and experience of the Working Group members. Other than the survey appendix, information gathered from these sources is not cited in this document.

1.4 Terms and Definitions

The terms as used in this Recommended Practice, have the meanings indicated below.

<u>Term</u>	<u>Definition</u>
add file	A set of discovery records generated to match new titles available in a library's consideration pool, and used to add those records to a library's catalog and discovery tools.

<u>Term</u>	<u>Definition</u>
auto-purchase	Within a DDA program, a purchase by the library of perpetual access to an e-book based on usage by a patron. Depending on how a library has configured its DDA program, an auto-purchase can occur after a set number of uses of a book or after a set number of short-term loans. When the generic term “purchase” is used in this document, it is referring to an auto-purchase.
consideration pool	All of the books available for potential purchase within a library’s DDA program.
delete file	A set of discovery records or record IDs generated to match titles no longer available in a library’s consideration pool, and used to remove records from a library’s catalog and discovery tools.
demand-driven acquisition (DDA)	Acquisition of library materials based on patron use at the point of need.
discovery record	A MARC record supplied to a library by a supplier/vendor to enable discovery of a title within the consideration pool.
evidence-based acquisition (EBA)	A DDA model in which libraries negotiate with a vendor or publisher to provide access to a pool of e-books in exchange for an agreement to purchase books valued at a set amount at the end of the program (typically after one year). Libraries can use their own criteria to make purchase selections, but typically base them on use. Also known as <i>evidence-based selection (EBS)</i> or <i>usage-driven acquisition (UDA)</i> .
free discovery	A feature of some DDA models that provides free access to an e-book before a trigger occurs. This is typically based on some limited amount of time viewing the book, on examination of a set number of pages, or on accessing certain portions of the book such as the front matter. Also referred to as <i>free browse</i> .
multiplier	In consortial DDA programs, a number applied to the purchase price of the book to determine how much the consortium will pay for shared access. For example, a consortium using a multiplier of five would pay five times the list price for the book. The multiplier is negotiated between the consortium and the publisher via the aggregator.
patron-driven acquisition (PDA)	Commonly used synonymously with demand-driven acquisition , but also can be used more broadly to refer to acquisition of library materials based on direct or indirect patron input, including faculty requests and analysis of collection usage. In its common usage, referred to throughout this document as demand-driven acquisition (DDA) .

<u>Term</u>	<u>Definition</u>
point-of-purchase record	A MARC record loaded by a library after purchase of a title via a DDA program; intended to be used permanently.
post-purchase use	Any usage of a book that occurs after an auto-purchase. Compare to pre-purchase use .
pre-purchase use	Any usage of a book that occurs before an auto-purchase. Compare to post-purchase use .
short-term loan (STL)	A lease of an e-book for a brief period (generally one day, one week, or one month) within a DDA program.
trigger	Any event within a DDA program that causes a financial transaction (such as a short-term loan or auto-purchase) to occur.
un-owned title	A book within the consideration pool that has not yet had enough usage to trigger a purchase.
update file	A set of discovery records generated to match the titles available in a library's consideration pool, and used to replace all existing records for those titles.

Section 2: Key Aspects of DDA

DDA programs have been structured in a variety of ways, but successful and sustainable programs have incorporated one or more of the components listed below. Different libraries, publishers, and suppliers will emphasize these aspects in different ways, depending on local needs and philosophies.

2.1 Sustainability

It is crucial that demand-driven acquisition models be sustainable for publishers and libraries, and by extension the vendors that supply them. DDA will only work for libraries if they can provide a large amount of content to their users without the risk of overspending their budgets. Pricing levels and triggers need to be set so that with normal discovery and use the program can run throughout the year and not have to be disabled because of budget shortfalls. A model that sets prices too high or triggers too low makes DDA unsustainable for libraries.

Publishers need pricing models to be set at a level that allows them to maintain revenue and continue to publish books. A model that cuts publisher revenue too much may be sustainable in the short term, but in the long run will damage the scholarly communication ecosystem. Though recommendations on how to set pricing are well beyond the scope of this project, it is crucial to recognize that models in combination with pricing must work for all stakeholders.

2.2 Free Discovery

In early DDA programs that did not provide an opportunity for users to determine if a book met their needs, libraries and consortia ended up buying large numbers of un-needed books and overspending their budgets. Some of these early programs were forced to shut down within weeks. An option for free discovery of content, which is present in more mature DDA programs, has made DDA sustainable for libraries, and is a crucial feature of these programs. Some models for free discovery include granting full access to content for a set amount of time (e.g., five or ten minutes), providing unlimited full access to some portion of the book (such as the table of contents and introduction), or allowing access to a set number of pages before a trigger occurs.

Establishing some method of free discovery ensures that most uses of a book that trigger a financial transaction are substantial and meaningful. Without free discovery, users can accidentally trigger short-term loans and purchases based on false hits; users first need to be able to determine whether a book is relevant to their topic and will meet their research needs. Free discovery needs to be set at a level that prevents unintended purchases but that does not allow too much meaningful use to occur for free (and thus not provide revenue to publishers, aggregators, and vendors).

Though less desirable, providing free access to the entire book for the first n sessions may also prevent unintended purchase. This model does not prevent multiple false hits from triggering a purchase, but it does ensure that books are not purchased based on a single false hit.

2.3 Temporary Lease

Some DDA programs involve the temporary lease of e-books through short-term loans (STL). STLs allow a library to pay for a single use of a day, a week, or a month for a fraction of the cost of purchasing the

book outright. Since most books in academic library collections only get used a handful of times,¹ STLs make it possible for libraries to pay for this lower level of use. Some programs allow libraries to decide how many STLs will occur before a purchase is triggered; others allow that decision but have a set upper limit, while others do not allow STLs at all. Most libraries that implement STL-based programs use them in conjunction with an ultimate purchase. Some libraries have made it clear that they are interested in DDA programs that use only STLs and never involve a purchase. Others have set up programs without STLs, with all significant use leading to a purchase. As discussed in Section 3, the use of a temporary lease or STL option for any library should be tied directly to the overarching goals of the library's DDA program.

STLs can vary in length, with almost all libraries opting for a one- or seven-day loan. Longer STLs are more expensive but in some cases will be cheaper than allowing several one-day STLs to the same patron in a one-week period. It is unlikely that there would be an overall savings across a whole DDA program, so purely from a cost standpoint, libraries will benefit from the shortest STL possible. However, there are enough libraries that desire longer STLs that aggregators and publishers should be as flexible as possible in this regard.

While it is clear that libraries that choose to use an STL model will see significant savings over the cost of purchasing the books that get used, this model, as currently configured, may not be sustainable for publishers over time. STL revenue may not replace the lost revenue from a purchase model, even if factoring in additional libraries making available titles via DDA that they never would have purchased in a traditional acquisitions model.

Publishers reporting decreased revenue are questioning whether STLs have contributed to that trend. However, most DDA programs are relatively new, and it may be the case that it takes a longer time than these programs have been in existence for books to generate a combination of enough STLs and purchases to replace lost revenue from purchases alone. It is important to acknowledge the reality that there may be loss of revenue and that loss of revenue may negatively impact publishers' ability to publish books and support the scholarly ecosystem. We must establish STL models that take into account this financial reality or STL as a model will not be sustainable at all.

2.4 Purchase

All DDA programs offer the option to purchase, though a few libraries have chosen to use only STLs for at least a portion of their program. STL-only programs are relatively uncommon and there is a clear preference in most libraries to purchase the most heavily used materials. Within a DDA program for e-books, the purchase can be considered either as the ultimate goal (with perpetual access being the point of the program and patron choices driving collection development) or as the most affordable means of providing access to some material (with perpetual access being cheaper in the long run than incurring additional STL costs for the most heavily-used books, and ultimately cheaper than an e-book subscription package). Since libraries will have varying aims, the point at which purchase occurs should be flexible.

Purchase is the only option for DDA of print books. Though libraries can choose to mediate this process, or to only purchase after a set number of requests, purchase is the only way to gain access to a print book in a DDA program.

Some libraries have expressed interest in a mediated purchasing model, in which STLs and other usage would be tracked and then the library would determine which titles to purchase based on those use

¹ See, for instance:

Kent, Allen, et al. *Use of Library Materials: The University of Pittsburgh Study*. New York: Marcel Dekker, 1979.
Tyler, David C. et al. "Just How Right are the Customers? An Analysis of the Relative Performance of Patron-Initiated Interlibrary Loan Monograph Purchases." *Collection Management*, 2010, 35 (3): 162-179.