A Century of Science Publishing
E.H. Fredriksson (Ed.)
IOS Press, 2001

Chapter 23
The View from the Middle: Subscription Agents, Intermediaries and the ASA

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Introduction

Subscription agents may not be amongst the oldest professions but they are hardly new either. The first recorded agent was Everetts in 1793, Dawson in 1809, Harrasowitz first opened its doors in 1875, Faxon in 1881 and Swets in 1901. The ASA itself only started in 1934 as a UK body, the Association of Export Subscription Newsagents. Its aim was to control the 'unlimited price competition in supplying institutes, messes, libraries, clubs etc.' How successful it was is not recorded and I suspect that such blatant cartel formation would now be considered illegal! Trading conditions have changed since then but it was not until 1982 that it became The Association of Subscription Agents. In 2000 the name was again changed, this time to The Association of Subscription Agents and Intermediaries to reflect the fact that in the electronic environment a much wider diversity of organisations are involved with the supply and distribution of the serial literature.

The growth of subscription agents

From their beginnings supplying newspapers and serials to the establishments of empire in 1934, members of the ASA have changed dramatically. The numbers of subscription agents accelerated in the 1950's and 1960's when the growth in the scientific literature expanded so dramatically. At the same time and the underlying

*Rollo Turner writes in a personal capacity and the views expressed here are his own, not those of the ASA or its member companies.

cause of all this growth, was the very rapid expansion in higher education establishments throughout the world and a great need therefore to fill all the new libraries with the latest research literature. To this agents responded willingly and provided the basis of the remarkably efficient distribution chain for scholarly and research serials that we know today.

Many subscription agents began developing 'consolidation services' where the publisher supplied to the agent and the agent shipped all the issues each month to the customer to avoid some of the problems with postal services at this time. The availability of such services was and still is very popular in many markets and was a significant factor in the growth and history of many of today's agents. Consolidation services remain popular to this day though it is likely that the rapidly increasing availability of electronic journals spells the gradual demise of such services.

One of the more interesting aspects of this period was the realisation by publishers that there was a growing market for subscriptions in libraries all round the world but that at the time they lacked the marketing knowledge and sales ability to market to these new libraries. What was needed were subscription intermediaries who would find the library customers, carry the publishers journals in their catalogues, obtain orders, deal with payments in local currency and arrange for delivery with an as yet undeveloped postal system in many parts of the world. The commercial publishers therefore enthusiastically helped subscription agents by rewarding them for the new business being generated and because it massively reduced their sales costs. Journal publishers never developed sales forces until the coming of electronic consortia and electronic journals in the late 1990's.

The society publishers as a whole tended to look on this new library market with alarm: after all a single library subscription might replace scores of individual members subscriptions! As a result the societies were much slower into these markets at the time and have traditionally had a rather different relationship with agents as a result. (The parallel with today's challenges with electronic journals are quite striking. Then at least it quickly became apparent that society members rarely gave up their individual journal copies in favour of the library's copy.)

Until the mid 1970's the subscription industry grew both in terms of the number of customers (libraries) and hence the numbers of subscriptions but also in terms of the number of titles on offer. (For a good assessment of numbers of titles and the role of libraries see Tenopir and King: *Towards Electronic Journals*, SLA Publishing, ISBN 0871115077, 2000.)

Certainly library budgets were in general increasing at a rate that was more or less sufficient for libraries to build collections of much if not all of the important literature in their particular fields of interest — a time that now seems long gone!

Throughout this period the ASA helped its members through a variety of services but perhaps the most useful was the exchanges of experience at the ASA's regular meetings. These enabled trading relations to flourish between agents to ensure that literature from every corner of the globe could be supplied readily and inexpensively through the intermediation of one or more subscription agents.

The market hits recession

And then came the oil crises in the early 1970's. Suddenly industry and governments found costs rising and the money for higher education and especially library budgets started to go into reverse! However the march of science continued unabated as universities strove to protect their new and prestigious departments at the expense of library budgets and doubtless many other areas as well. Foreign exchange restrictions became commonplace amongst many countries as governments sought to use what foreign exchange there was to buy oil, not journals. This may have been the start of a problem with libraries budgets to buy research material but no such problems were apparent in the funding of research which continued to grow and within it the exponential rise in the number of papers (and journals) published continued. Publishers continued to launch more, and more specialist titles. Suddenly the market had changed dramatically by the late seventies. Gone were the ever rising circulations of ever more journals — cancellations started to arrive in increasing numbers until by the mid to late eighties publishers no longer talked of growth rates and new journal launches. A new vocabulary took over and talk was about attrition rates and price rises to offset falling subscriber numbers.

For agents this changed their relationships with publishers. Prior to 1975 (a key year in agents history) subscription agents were helping publishers sell journals on an international basis into an expanding market. After 1975 it became much more the case that agents were trying to hold on to the subscriptions they had and no longer could libraries be relied upon to buy the ever increasing numbers of new journal titles. Although on a international basis the market may have still been expanding there was a noticeable slow down of activity as far as agents were concerned and the emphasis switched from new subscriptions and new libraries to renewals. The agents were now no longer operating in a rapidly expanding markets and publishers began to notice the impact on their established journals circulation figures which at around this time probably reached their peak. In 1974 a large journal publisher (Pergamon Press) decided to reduce its terms to subscription agents. In recognition of the role of the agent and also highlighting the changing market a portion of the discount could be reclaimed if agents engaged in more promotional activities. In other words Pergamon needed to find new subscriptions because they were no longer rolling in through the agents as in previous years. Although this unilateral decision by Pergamon was probably made as much because of the state of the company at the time — Robert Maxwell had just regained control of the company which had almost certainly suffered as a result of the DTI investigations and adverse publicity — it certainly sparked a lively debate in the industry. Regrettably from the agents point of view it set the trend for gradually declining terms over the next two decades. On the positive side it undoubtedly helped to fuel the drive towards efficiency and better communication in the industry which saw the start of a number of important new developments in the next few years.

The drive for efficiency

If the period up to about 1975 can be considered the expansion phase for agents the next decade or so saw a number of innovations which greatly helped agents, publishers and librarians handle subscriptions more efficiently and achieve a better understanding of each others role in the marketplace.

Agents and the start of the Serials groups

Paradoxically it was during this period that the ASA began to become much more proactive in the industry and agents started to take a leading role in promoting innovation. The first major achievement was in the recognition that the serials industry was very different from books and indeed just about every other industry too! Apart from the ASA, journals were not represented in any other trade or professional body amongst libraries or publishers and in an attempt to address this Blackwells (now Swets Blackwell) identified the need to hold a forum to address the many specialist issues surrounding the serials industry. This forum was held in Oxford in 1975 and the guest of honour was none other than Robert Maxwell! The meeting was highly successful and repeated in 1977 and out of this meeting the UK Serials Group (UKSG) formed to become the UK forum for the serials industry with the fundamental tenet that trade and library professionals should be equal. Perhaps as a direct result of this the great strength of the UKSG has been the help and support from the trade and especially the subscription agents. Now the UKSG has some 600 institutional members holds numerous meetings and a hugely successful annual conference and has exported the concept of the serials group around the world.

Price is an old, old problem

Given the amount of column inches devoted to journal prices on list serves etc in recent years you might be forgiven for thinking that this is a new problem.

It is not. Back in the 1960's librarians were worried about the prices of journals and in response to this subscription agents started publishing price indexes of journals for their customers so that they could keep track of the changing prices of journals in most subjects. One agent, Blackwells, published their price index in the LA Record on an annual basis and this became a very valuable tool for both librarians and publishers. Although this analysis started in 1966 it developed through the 1970's into a highly useful tool for budgeting by librarians and pricing by publishers. It was soon further developed into the sophisticated system for predicting prices employed by most agents since the eighties and which has at times been accused of becoming a self fulfilling prophecy!

New technical standards

At a time when most industries were still struggling with the introduction of computers subscription agents were looking to automate the ordering process. The subscription business is seasonal with massive peaks at renewal time so automation of the process was clearly going to be beneficial to both agents and especially to publishers. In the early days some of the big agents such as Ebsco and Faxon were providing their own standard automated renewal order but clearly an industry wide standard would be desirable. The ASA accordingly organised a meeting to examine the challenges in February 1986 entitled Joint Seminar: Electronic Communications between Publishers and Subscription Agents which was attended by 53 organisations of whom 40 were publishers. This in turn led to the setting up of the International Working Party on Magnetic Media Transfers who produced the International Standards for Exchange of Machine Readable Subscription Orders. This then led to the foundation of ICEDIS (International Committee on Electronic Data Interchange for Serials) the standards making body in this area which continues its work today, still with the active support of subscription agents and the ASA as well as publishers. The first EDI X12 transmission was conducted in 1990 between Faxon and the Royal Society of Chemistry.

This work was highly important to the industry because it introduced automation and helped keep costs down at a time of otherwise rapidly escalating costs and prices. It also greatly improved efficiency leading to fewer subscription breakdowns and necessitated closer co-operation between publishers and agents.

Consolidation

The situation on journal prices and library budgets seems to have intensified rather than eased in recent years which has led to increasing pressure on the distribution system and subscription agents especially. Being an effective subscription agent is a curious mix of expertise, customer service and the economies of scale. With the increasing pressure on margins experienced by agents in the 1980's, it is not a surprise that economies of scale became the dominant factor and the ASA membership underwent radical change as members merged or acquired each other, a process that continues today. Fuelled by increasing automation and the need to provide large customers and suppliers with the kind of service which comes with scale, the larger subscription agents gradually acquired many of the smaller agents, dramatically reducing the numbers of specialist subscription agents with a reasonable level of business in journals. At the same time many of the academic bookshops who dealt with a small number of subscriptions for one or two clients began to get out of the business as it became increasingly difficult to compete with the specialist and much larger subscription agents (though there are still a substantial number of booksellers handling a small and probably declining number of subscriptions). For all that though the smaller specialist agent continues to survive and in some cases prosper where their expertise, market knowledge or particular specialism is seen as particularly valuable by their customers.

By the mid 1990's the subscription industry was in trouble: cancellations were on a spiralling downward path as journal prices continued to escalate. Agents were being required to provide more and more flexible services to customers whilst experiencing continued pressure on discounts from publishers. The increasing size of the larger agents and publishers meant that any failure by one of the larger players could be catastrophic for the industry as very nearly happened when Faxon ran into difficulties in 1993 before being rescued by the Dawson acquisition in 1994. During the 1990's after a series of years seeing price rises substantially in excess of retail price inflation, which currency variations often made much worse, the industry appeared to be approaching some form of crisis and the future was beginning to look increasingly challenging. And then came the Internet, the World Wide Web and electronic journals.

Distribution moves centre stage

The Internet is doubtless many things to many people, but as far as agents and publishers were concerned in the mid 1990's it was treated as if it was simply another way of distributing content. Distribution is the business that agents have always seen as their specialist role so it is perhaps no surprise to see how quickly they responded to the arrival of Web driven electronic journals available on subscription.

Agents saw this new channel to the market as both representing unparalleled opportunity and as a threat. The threat came from the realisation that in order for electronic journals to work properly the publishers needed much more information on customers than they had ever required before. It meant publishers had to know their customers which in the past had been the role of the agent. Furthermore the access to the content by the customer was directly with the publisher and in view of these facts many agents initially feared that this might lead to the marginalisation of agents. This in fact is no more true for electronic content than for paper. Both require the publisher to have some knowledge of the customer in order to develop content and this is the area in which agents have traditionally thrived. The opportunities however were considerable as there was likely to be a requirement for an enormous diversity of new services by both librarians and publishers.

New services from agents

To begin with agents tended to mirror the paper world in much the same way as publishers had, and concentrate on supplying information to publishers, undertaking the purchasing administration (very considerable for electronic journals) and so on. But then came the start of the new services: in 1996 the first into the field were Blackwells with their Electronic Journal Navigator service which was soon followed by Swets (now Swets Blackwell), Dawson (now RoweCom) and Ebsco. This provided a gateway to subscribed electronic journal content, a common search interface across the content based on simple search routines involving electronic tables of contents. Generally these services linked to the publishers website but some of these agents gateway services also hosted the content on their own servers for a few publishers.

New intermediaries formed

A few years earlier many other computer oriented businesses had spotted the market for a means of electronically publishing paper journals. Probably some of the first in this field were OCLC and Bids both of whom had a university background and rather wider responsibilities to the higher education community they served. These were the early electronic intermediaries who offered publishers and librarians a wide range of new services based around the Web. They were rapidly joined by more commercial and also successful companies such as Catchword (now part of ingenta) who started to produce electronic journals for publishers and distribute worldwide with a commercial model that worked well for many small and medium sized publishers. Others like ingenta (then Bids who were already active in this area), Turpin and HighWire soon joined them. These new companies were a different type of distributor but they were still intermediaries between the library and publisher. Their commercial model tended to be rather different to that of the subscription agents offering in that they charged the publisher for their services and made no charge to the library (although the publisher did). The distribution chain was now being stretched with libraries ordering from agents who ordered from publishers, who provided the subscription information to their intermediary, who supplied the library sometimes through an agents gateway service. In other words these new companies were a true part of the distribution chain dealing directly with the library's agents and publishers to provide service.

By 2000 many of these intermediaries had joined the ASA which changed its name in that year to reflect these new members needs and slightly different outlook in a rapidly changing market. As the world of electronic journals became ever more integrated more and more intermediaries joined the ASA especially those who distributed databases such as Edina and MIMAS for example rather than primary journals, but who face many similar challenges.

Administration challenges

The relentless march of the technology of electronic journals had somehow out-paced the administrative systems designed to cope with paper journals. Electronic journals required considerably more knowledge of the customer than publishers currently possessed to be able to sell or supply them at all. Persuading a customer to take up an electronic subscription was no guarantee that it would be used, and the use was difficult to measure in practice although in theory at least it could, unlike paper, be measured. Electronic journals required licences, technology and expertise not found in the paper environment. All of which increased the complexity of ordering electronic journals which meant that agents and their customers had to learn new skills. This process is still going on but all sides have been quick to see that in the long term there is potentially more value to be had from a subscription to an electronic journal than the continuation of a paper subscription. As a result agents were suddenly in demand by publishers to ease this transition and to regulate the flow of the required information, authorisation, access routes, and licences.

Consortia

The last few years have also been characterised by the rise in library consortia. Initially these consortia negotaited with subscription agents for the supply of the printed journals and, in return for volume were succesful in driving down the price of journals supplied through their agents. Recently there has been a very large increase in both the number of consortia and their size as consortia have started to negotiate with publishers for better terms for the supply of electronic journals. In the UK this has been done through NESLI whose Managing Agent comprises a partnership of two ASA members, one a subscription agent (Swets Blackwell) and the other an intermediary (MIMAS) connected with the HE sector. In other countries library consortia have not always made use of agents services in negotiation, but very frequently the agents' systems and knowledge of the subscription market have helped many consortia members (and publishers) take advantage of, and even structure the deals.

Common licensing

To all of this the agents responded innovatively and as fast as the enormous amount of change required to some very large and complex subscription systems would allow. Very early on subscription agents saw the need for an international common set of licences that would enable publishers and libraries to agree terms with ready made standard clauses (though the specific price and terms would still always need to be agreed between the parties concerned). By standardising the language and ensuring all aspects of a good agreement were included in the standard licence the job of both publisher and librarian was made easier. This innovative approach was based on the preceding work of the PA/JISC agreement and takes the standard licence approach another step further. This work was performed by John Cox and sponsored by Blackwells, Dawson, Ebsco, Harrassowitz and Swets.

E-commerce

Another of the more interesting innovations has been the rise of RoweCom who as a small company in the mid 1990's challenged the orthodoxy inherent in agents' business models. Now a much larger company having taken over Dawson's subscription interests in 1999, they continue to offer e-commerce systems which may point the way to how libraries, agents and publishers will purchase in the future. There is probably still much work to be done in this area but the first step in developing commercial e-commerce based services has already been taken.

The Future of Subscription Agents and Intermediaries

Predicting the future is only safely done in retrospect so anything said here is likely to prove an embarrassment in a few years time! However here are a few areas where we see intermediaries as having a pivotal role in the future.

Amongst the most important changes that are already occurring are in the areas of rights management. There appears to be a crucial piece of the distribution chain missing. It is now in principle possible, and rapidly becoming practicable, to link all electronic journal articles to the references contained in those articles and indexing services to the articles via CrossRef, the highly innovative new development from PILA, and the use of DOI currently championed by the DOI Foundation. It is again possible, via SFX technology, to link journal articles to university holdings, research databases etc. It is possible via Z39.50 for example to search across databases rather than within each database separately and to directly call up the discovered articles or content. What is not so obvious is how the publisher and the customer knows whether the customer already holds a subscription or needs to pay. Technology here is only part of the solution since this needs a link to the many commercial systems between customer and publisher. Not all subscriptions are directly with the publisher, many may be through aggregation services, subscription agents gateways, secondary information providers and so on. Currently authorisation tends to be dependent on the channel to the publishers system. For example if it comes direct there should be few problems but if the route taken is via a secondary service, linked to an aggregation service the publisher may not know that this individual user has rights to the requested information through a library subscription. Here the agents with their vast databases of subscriptions may well hold one of the keys to future development since they will undoubtedly be able to speed this process. But it will take time and probably further co-operation between all parties to achieve it.

The one stop shop

As has been hinted at above, the Web seems to work best from the users and customers point of view when everything is connected to everything else. To make such massive interconnectivity work there is a need to provide some form of overall commonality to the search strategies and access mechanisms and commercial systems. This is an area in which agents and intermediaries can and should become active to provide the type of systems that encourage the acquisition of, and access to, content of all sorts from journal articles to databases and books. Not surprisingly this is likely to be a bitterly contested area with some publishers unsure whether becoming the channel to the market is a better long term goal than publishing the content itself. But ultimately whatever the rivalries and strategic positioning it will happen as it is so clearly in the interest of the customers who, eventually pay for the services. This whole area of handling authorisation, acquisitions, discovery and access is where we see agents moving to in the future, in other words they will continue to be the channel to the market leaving the actual products and information generation to others.

But as these intermediaries devise ever more sophisticated and interesting new services it will be less clear exactly who is doing what for whom in an ever more interconnected world. For example are one-stop-shop electronic access systems for e-journals and articles an access system for libraries, or could they be more usefully seen as a marketing channel for publishers? It is likely that these arguments will persist.

There are already interesting beginnings being made here. Swets Blackwell has joined CrossRef, Ebsco has taken up SFX technology, RoweCom continues to develop its e-commerce type solutions, ingenta is developing an interesting new mix of services from article delivery to electronic publishing and portal development, to name just a few.

Library developments

As consortia continue to grow their administration requirements become greater. If they obtain common content for their members perhaps common access arrangements may follow. Certainly the content acquired through consortia needs to be linked to that acquired in the more traditional way by their members. There is a role here for intermediaries specialising in linking, access administration and acquisition since in general these tasks have substantial economies of scale. In other words the cost per organisation served falls dramatically as the number of organisations increases.

In conclusion

In the future it will not be surprising to find some intermediaries devising their services for the content suppliers as their customers in mind and others with the needs of libraries and users as their clients. Some will of course continue to do both, but in the new world of massively interconnected services and systems the intermediary has and will continue to have a key role to play both in helping publishers distribute their content and services effectively and to librarians in helping them purchase and access content.