

The View of Elsevier Science on Licensing

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The presentation concentrated on four parts:

1. the position of Elsevier Science in the publishing environment of both print and electronic formats;
2. *ScienceDirect* as the gateway technology for linking online and onsite services;
3. the implications of negotiating license agreements;
4. the new pricing policy for the year 2000.

Elsevier Science is a member of the Reed Elsevier publishing group. The company publishes post-graduate research STM literature that appears in the imprints of Elsevier, Excerpta Medica, North Holland, and Pergamon. Parallel to the print production, the major part of its core journal portfolio is electronically accessible. The input of all digitised data is carried out by the *Lexis Nexis* database, which operates as the platform for the *ScienceDirect* services. Today's objective of Elsevier Science is to build upon the traditional science publishing role with a fully integrated network of comprehensive information services.

Elsevier Science has been among the first science publishers who initiated experiments in delivering content in electronic format. The company participated in the *Adonis* project (since 1980s) and it carried out the successful *TULIP* program (1991-1995) among nine prominent physics libraries in the USA. Its ongoing activity in the computer aided production of current awareness services (CAPCAS) resulted in the commercial medium of *ScienceDirect*, which facilitates access to basically all Elsevier Science journals either through an onsite server solution, *ScienceDirect OnSite* (formerly *Elsevier Electronic Subscriptions* or *EES*), or online via the Internet, *ScienceDirect OnLine*.

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The various experiments with electronic deliveries have revealed three important consequences, which can be considered educational for both producers and consumers of science literature:

1. critical mass is the main success factor for applying new information technologies;
2. managing digital holdings is more complex than managing comparable print holdings;
3. the relationship between librarians and publishers has evidently changed.

The changes in publishing appear on five significant levels.

- The classical production of books and journals has been amplified by the presentation of mixed media also including databases, CD-ROMs and stand-alone electronic products.
- The general image of publishers being a local or domestic source of information has developed into an activity of global reach.
- The portfolio is focusing on the market of the professional researchers and practitioners rather than issuing all kinds of subjects.
- Publications presently come in two different formats and the gradual migration from print to electronic shows a growing tendency.
- Finally, the use of literature based on the appearance of words and their context has been replaced by the requirement of multi-referential content.

The main features of *ScienceDirect*, the world's largest full text electronic database, as they stand today are:

525,000 full text articles as of July of this year adding 20,000 new articles each month; 1,050 journal titles including research and review papers, letters and trend titles; 14,500,000 articles indexed on abstract and index layer level; easy-to-use 7 days/24 hours access capability; access via the Internet to the central Elsevier server, or access via a local server, or both; unlimited simultaneous desktop access; searching the entire abstract database including cross discipline searches; browsing the tables of content for all journals; display of full text in either PDF or HTML formats; viewing articles in an innovative outline with hyperlinks to reference and article images and tables; printing and downloading facilities for personal use.

The requirements of customers using *ScienceDirect* refer to value of the medium, its price, and the service back up. The value is expressed in the

completeness of content, in its currency or timeliness of appearance, in the optimal functionalities for desktop and Website services providing content within context, in the large visibility of the material, and also in the generally required single user interface performance. The price for using the medium in a licensed agreement should offer an affordable long-term package solution. Efficiency of personalised support as well as training facilities should form the basis of a permanent back up service.

ScienceDirect offers the gateway technology for linking a growing number of services. Presently, we can distinguish four blocks, which together feed the digitised content for a digital library:

1. primary publications presented under the four imprints of the company;
2. secondary publications like Embase, Ei Compendex, Beilstein, World Textiles;
3. virtual communities like ChemWeb, MDL, BioMedNet;
4. electronic journals such as „Immunology Today Online” and many more.

The reciprocal linking between *ScienceDirect* and *ScienceServer*, the supporting software for onsite solutions, is seen as a future development. The SGML format will become the strategic tool for linking purposes. Also, articles may be inspected before the actual date of their publication, and sound as well as movies will become additional multimedia components. More blocks will contribute to complete the formation of the digital library as external datastores will be linked thus coupling science literature with both business and professional literature.

At the time of the LIBER conference, early July 1999, more than 180 institutional and corporate accounts world-wide were accessing *ScienceDirect*. They represented around 630 different sites. Licenses were signed with larger and smaller consortia throughout Europe, Northern America, and the Far East. It is expected that the potential user population come up to five million at year-end 1999.

Licenses need to be carefully prepared and lengthy periods of negotiations may occur. Customised package solutions are available for everybody, for single accounts as well as for consortia of any size, whose members might be of very heterogeneous nature.

Before negotiating a consortium license, five pre-conditional criteria should be discerned:

- 1) the consortium shows its maturity to migrate to the electronic use of data;

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- 2) the participants share a unanimous vision about the role their libraries are going to play in a digitised flow of information;
- 3) long term funding of the license is projected;
- 4) the internal organisation of the consortium is efficient;
- 5) the consortium appears as one legal entity.

Usually, negotiations lead to an increasing number of new conditions. Sometimes, the resistance degree of a consortium to accept terms is high due to the fear of a loose versus win perspective. Cost reduction can be the single motivation for discussing a multiple year agreement. Under every circumstance wants a consortium member to maintain his freedom of autonomous decision making. Open communication lines during the entire period of the negotiation stimulate the make up of mutual confidence.

The successful closure of licenses strongly depends on the early check-up of the state of all five pre-conditions. However, even if consortia are tightly organised, external factors like currency rates and changes of national, political, and/or economical nature may heavily influence on the envisioned outcome.

Higher prices, shrinking budgets and the advancement of e-technology are driving libraries to pool their resources and create consortia in order to obtain the widest possible range of information data: the demanding side (= libraries) is concentrating and it aims at an increase of efficiency, lower expenses and the upgraded service capability. What is Elsevier Science as the supply side setting against this movement?

Understanding the gradual though undeniable migration of the markets from print to electronica due to the irresistible drivers of change, Elsevier Science offers long term packages via the comprehensive services of *Science-Direct* and it thus ensures the uninterrupted flow of selected science information at cost-saving terms.

License agreements offer to libraries and publishers alike the platform to interact more directly. They add precious value for an indefinite period. They build up partnership and contribute to an economical management of the title collection. They form the synergy for information delivery to libraries predestined to digital services.

Running forwards and backwards on the electronic highway brings opportunities for everyone. It has become the adopted playground for issuing and absorbing information. Learned societies, individuals, publishers, distribution channels, commercial intermediaries, the retail business, they all make

use of the new media tools to justify their existence, and advance in the thorny web of challenges. Because dangers wait in ambush.

With the emergence of the Internet as the dominant global communication medium for scientists Elsevier Science is introducing new ways to package and deliver information electronically. The invitation to adopt the *Science-Direct* services can be regarded as a positive challenge. The new pricing policy for print publications in the year 2000 is a response to the continuous migration from print publishing to electronic publishing. A more predictable pricing model is believed to work better in both the print and electronic environments. The future annual print price increase of the complete core journal portfolio will be regardless of effects of currency fluctuation, growth of volume output, and inflation.

On the new suspense stage of the electronic theatre the set of players and entrants is changing constantly. There still appear the traditional STM publishers like Elsevier Science, Springer Verlag, and others. The service providers, EBSCO, Swets, Blackwell and others, continue to struggle for their survival. Virtual communicaties like Highwire and BioMedNet have entered. And certain universities have come in as „independent” producers of data transfer. This is the picture as it stands today. Tomorrow may be different. Because the data demanding side has already commenced to put *the* request the actors will have to comply with: „who provides me with the most comprehensive multi-integratable content?”

Elsevier Science makes the firm assumption to already be close to the answer.

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