



**Trends in Journal Subscriptions Renewal and Cancellation
A Look Back Over the Last Five Years**

2005-2010

This report provides a detailed review of trends that have impacted journal subscriptions cancellations and renewals for scholarly publishers as identified by Publishers Communication Group, Inc. (PCG) between July 2005 and March 2010. Publishers can use this information and the strategic suggestions provided as a starting point for considering the impact of these trends on their strategy.

METHODOLOGY

Between July 2005 and March 2010, Publishers Communication Group completed nearly 200 Renewal Campaigns over the telephone for publishers of scholarly content. During these campaigns, PCG determined if a lapsed journal subscription was renewed, cancelled or pending and probed further to gain some insight into the reasons that led to a decision.

The geographic scope of the campaigns included calls to subscribers in North America, Latin America, Europe, Australia, Africa, and the Middle East. Lapsed subscriptions from academic institutions, not-for-profit and government agencies, corporations, hospitals, and to a much lesser degree individuals are represented in this sample.

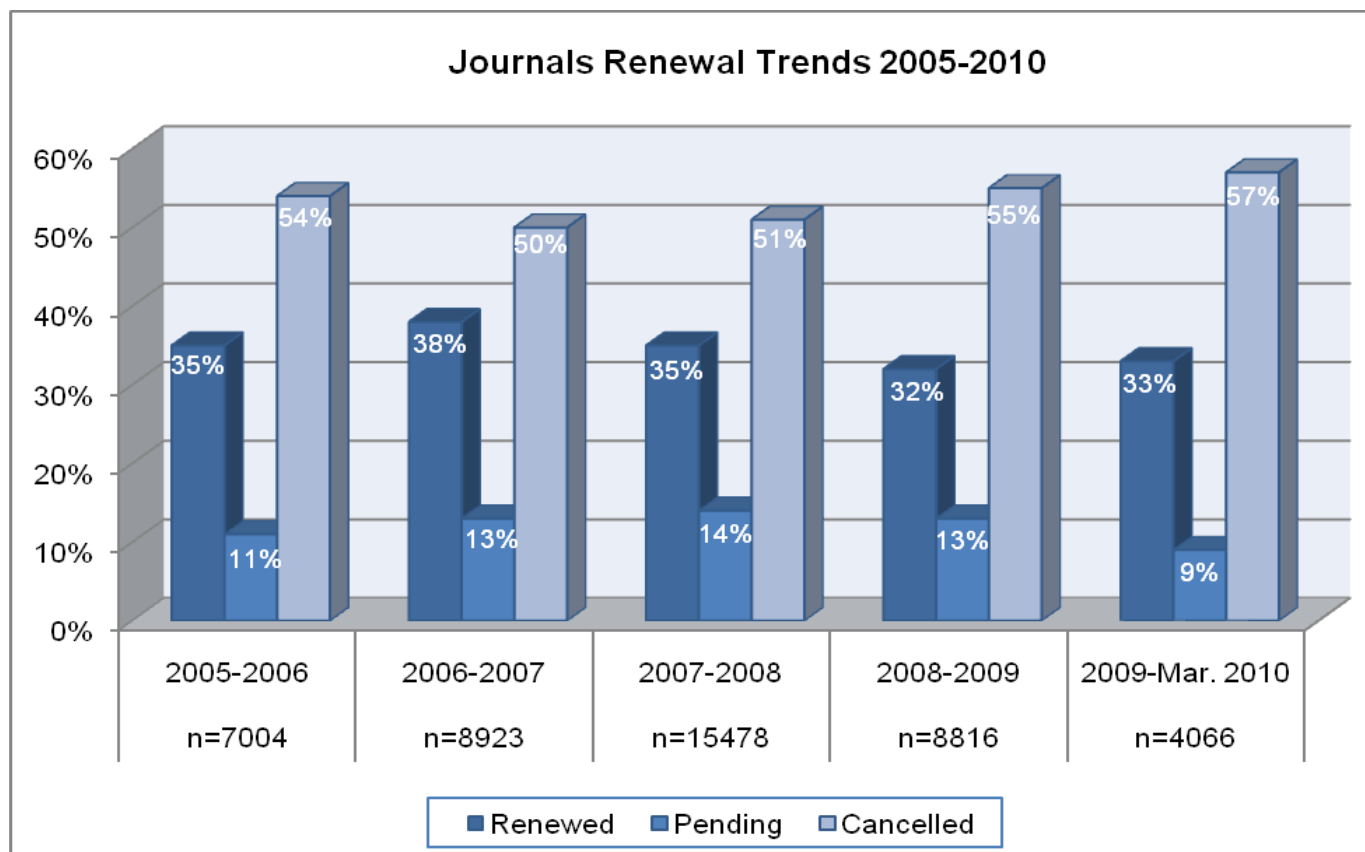
Only those calls defined as successfully completed were included in ongoing data collection, analysis and presentation. To be defined as successfully completed, appropriate and authoritative information must be harvested from the subscriber, or a representative of the subscribing institution, during the call.

SAMPLE DATA ANALYZED

The sample data derives from calls covering nearly 45,000 subscriptions and excludes the results of campaigns determined to be outliers. This data is provided as an example and there is no suggestion, implied or otherwise, that it will predict the results of any given campaign.

RESULTS

The graph below details the renewal, cancellation and pending rates for the subscriptions data collected over the last five years. "n" represents the number of subscriptions included in each cycle. Results from the 2009-2010 cycle includes data collected until March 2010 and will be updated in July once the cycle is complete.



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Renewed

Overall, between 32% and 38% of the lapsed subscriptions included in this sample were in fact renewed. The renewal rates have remained relatively consistent over the last five years, but were showing a slight decrease between 2006 and 2009. The slight increase for this cycle is not indicative of a significant trend since the full data set will need to include campaigns conducted between April and July 2010.

When a subscription is classified as renewed, in many cases, the contacted institution changed subscription agent or the librarian indicated that the failure to renew was due to an error or an oversight. During the calls, it is also common to find out that a library is missing an issue and the renewal effort provided an added level of customer service.

Pending

The rate of subscriptions for which a final decision is still pending has also not fluctuated much over the last five years and ranges from 9% to 14%. Generally in those cases, librarians reported that they either needed further assistance in order to process their renewal or that the final decision had not yet been reached. Many librarians contacted stated that they were not aware that their subscription had lapsed and were grateful for the call bringing this issue to their

attention. Consequently, renewal campaigns continue to be an essential tool, since individual follow-up and incentives offered by publishers can be key to retaining lapsed subscribers.

Cancelled

The cancellation rates have been on a slow but steady upward trend since the 2006-2007 cycle. It is evident that libraries around the world have faced some tremendous budgetary pressure in recent years and have had to re-evaluate their journals collections several times. As a result, it is valuable to understand the specific factors that affect scholarly journals subscriptions and to identify new emerging trends.

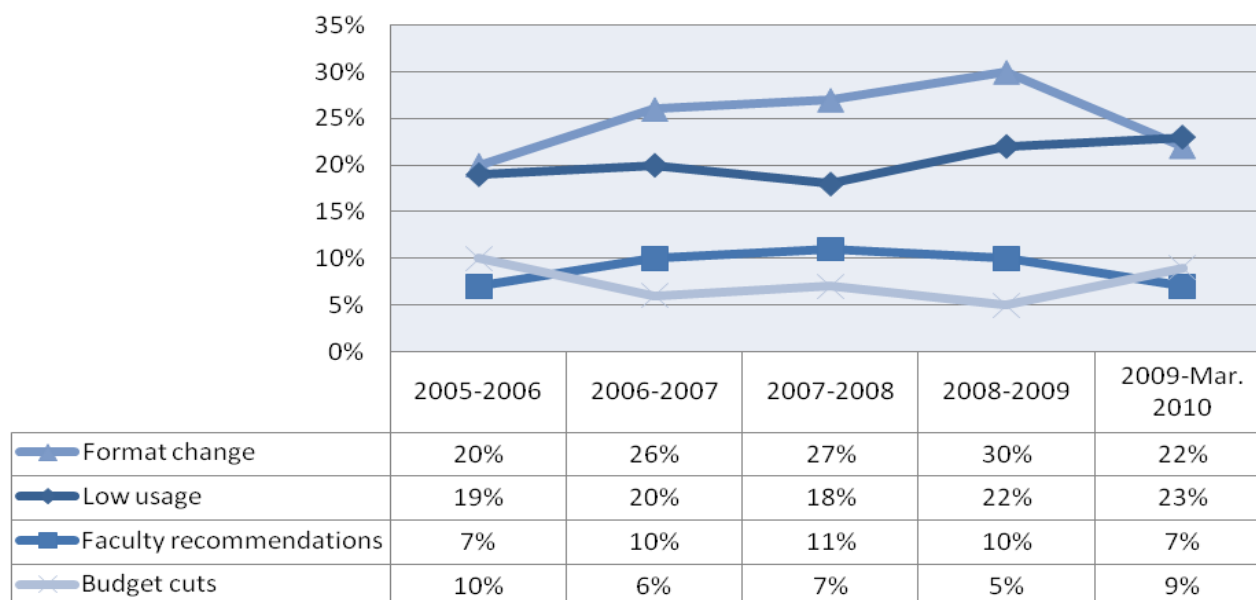
Many factors influence an institution's decision to cancel a subscription. Shrinking library budgets and the prominent availability of online content have created a climate that has required a redistribution of resources in the library's collection at a substantial number of institutions.

However, it is essential to determine why a specific subscription has been cancelled in lieu of another one. When the topic is explored in greater detail, librarians explain that because of reductions in material budgets, they have been forced to institute a number of cost-cutting exercises including usage studies, faculty surveys, consortia purchasing and the elimination of duplicate subscriptions in several formats. For a complete list of the 13 most commonly cited factors in general and their respective rates for each year, please see the table below.

Reason	2005-2006	2006-2007	2007-2008	2008-2009	2009-Mar. 2010
Format change	20%	26%	27%	30%	22%
Low usage	19%	20%	18%	22%	23%
Faculty recommendations	7%	10%	11%	10%	7%
Price	3%	5%	6%	6%	7%
Budget cuts	10%	6%	7%	5%	9%
Subscriber is no longer with the institution	11%	7%	6%	5%	5%
Journal content relevance	8%	9%	9%	5%	8%
Journal available through another institution	3%	3%	3%	4%	2%
Other project-specific reason	6%	3%	4%	4%	5%
Duplicate subscription	4%	2%	2%	3%	5%
Library/Institution has closed	3%	2%	2%	3%	3%
Exact reason not provided	4%	5%	3%	1%	1%
No record of journal	2%	3%	1%	1%	3%

In addition to budget cuts, the three most cited reasons for canceling a subscription in the last five years have been linked to online availability, low usage, and faculty recommendations. The evolution of these four factors over the last five years is examined in more detail in the graph below.

Evolution of the Four Most Cited Reasons for Cancellation Over the Last Five Years



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Electronic Access

The most common reason provided to explain why a subscription was cancelled was linked to the electronic availability of the content. This trend continues to be increasingly prominent as many libraries adopt policies in order to avoid duplication of content as much as possible. In the last five years, at least 1 in 4 subscriptions was cancelled in favor of the electronic access of the same content from a single source.

It is important to determine the nature of the online access used to substitute this cancelled subscription. In the data collected, the rate above includes two distinct groups of cancellations. Journals subscriptions can be switched to e-only as part of a paid subscription to all the content available from a publisher. Alternatively, print subscriptions could be cancelled because some or all the content was now available through a third party, sometimes embargoed, database. Determining what libraries consider to be an acceptable level of access is essential for publishers in order to offer subscription options that best fit this market's needs. During each renewal campaign, Publishers Communication Group is able to further explore these issues.

This data allows a publisher to clearly understand the rate at which client institutions are moving to electronic access of subscriptions and their reasons for making the format change. Also, this information is invaluable as publishers make strategic decisions related to the format of content delivery such as choosing technology partners, setting pricing, linking arrangements and advertising sales, as well as signing up with an aggregator.

Low Usage

The number of subscriptions cancelled due to low usage continues to be of significance. It is clear that libraries use a number of criteria to evaluate their collection and that usage is only one of the many factors involved in this complicated process. The importance of usage statistics and their

implementation cannot, however, be underestimated. Over the last five years, 1 in 5 decisions to cancel a subscription on average was mainly based on how often the resource was consulted.

Concurrently, the switch to e-only subscriptions makes this factor an even stronger tool for librarians when they review their journals list. As usage statistics are increasingly readily available and more easily trackable, it is key for publishers to provide adequate links to their content, maintain their website and support maximum content visibility to ensure that library patrons can access their resources.

By analyzing information about institutions that have reported low usage of their journals, publishers can customize their sales approach and consider alternative methods of increasing usage at specific institutions. Also, publishers may consider the possibility that their journal suffers from an inherent editorial weakness that could be addressed in order to increase usage.

Faculty Recommendations

An interesting trend has been developing in the last few years in relation to the increasing weight faculty input carries in journal renewal and cancellation decisions. As institutions continue to face budgetary issues, it is common for librarians to consult with faculty members in order to prioritize their limited funds. By examining lists of titles in their field of research, faculty can make recommendations to librarians about which journals to retain and which to cancel. While this type of collaboration has always existed, this factor is now often the third most commonly reason recorded and accounts for about 10% of all cancellations. Faculty recommendations are influential since they and their students comprise the majority of the publication's users.

Understanding which content faculty seek for their research and to support their curriculum is one key to increase usage. At the same time, considering how faculty utilize resources and the perceived value of each journal in comparison to others in the field is invaluable feedback for future marketing strategies.

Conclusion

The data presented in this report reflects the choices that librarians had to make in the last five years in the light of repeated budget cuts. The cancellation and renewal rates have not varied at a significant rate, but cancellations appear to be on an upward trend. The main factors librarians study when deciding which subscriptions to maintain and which to cancel have remained prominently the same: availability of content from multiple channels, usage statistics and faculty recommendations. By building relationships with librarians around the world, publishers can gain a strong understanding of the complex selection and deselection process, which in turn will allow them to react quickly and meet their customers' needs.

Renewal Campaigns are an important tool for recapturing lapsed subscriptions and collecting invaluable market research on the purchasing behaviors and preferences of libraries around the world. When the information gathered through a Renewal Campaign is integrated into a broader marketing and promotion campaign, publishers can respond appropriately to the changing market dynamics impacting scholarly publishing.

About Publishers Communication Group, Inc.

PCG was founded in 1990 to help European publishers gain exposure in the North American marketplace. PCG's aim was to direct publishers to the gateway of North American libraries and the goals they could achieve. Our services quickly expanded to include the needs of North American publishers and our focus shifted to the global library community. Our work has become more intricate and involved, allowing PCG to provide comprehensive marketing services that expand and maintain publishers' presence in the world's libraries.

PCG now offers an extensive range of specialized and comprehensive marketing and research services, customized to meet the needs of scholarly and professional publishers. All of our services, tailored to meet specific goals, can be implemented in conjunction with one another or independently.

Our *Market Intelligence Services* are designed to uncover the valuable market information that is not available from other sources because each campaign addresses the unique issues and concerns of your organization.

PCG's *Promotion Services* expand the awareness of your publications or products to a carefully identified and strategically compiled audience, encouraging them to initiate a subscription or expand their current holdings.

PCG's *Representation Services* offer programs to publishers worldwide that will minimize your costs and provide customers with easy, direct contact with you. Take advantage of our global presence and ability to provide this valuable service in North America, Latin America and Europe.

PCG is a division of Publishing Technology, www.publishingtechnology.com.

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About Publishing Technology plc

The Publishing Technology Group has offices in the US, UK and Brazil and is the largest supplier of technology and related services to the publishing industry around the world. Publishing Technology's brands include advance (the 21st century replacement for Vista), IngentaConnect, author2reader, pub2web, ICS and PCG.

Publishing Technology partners with information providers of any size, discipline, or technical literacy helping them to capitalize on the full potential of their content in the digital environment and increase efficiency throughout their publishing processes. Market-leading technologies and integrated services are differentiated by the scope of publishing issues they address, and this customized cutting-edge approach delivers support to eight of the ten of the largest publishers in the world.

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