



PUBLISHERS
COMMUNICATION
GROUP, INC.

Trends in Journal Subscription Renewal and Cancellation

2004-2005

This report provides a detailed example of trends impacting journal subscription cancellation and renewal for scholarly publishers as identified by Publishers Communication Group, Inc. (PCG) between July 2004 and June 2005. Publishers can use this information and the strategic suggestions provided as a starting point for considering the impact of such research on their strategy.

METHODOLOGY

From July 2004 through June 2005, Publishers Communication Group, Inc. completed 40 Non-Renewal Campaigns for publishers of scholarly content. During these campaigns, PCG determined if a subscription was renewed, cancelled or pending and asked additional questions to gain insight into the reasons that led up to this decision.

The geographic scope of the campaigns included calls to subscribers in North America, South America, Europe, Australia, Southern Africa, and the Middle East and included both public and private universities and colleges, corporations and not-for-profit institutions, government agencies, hospitals, and individual subscribers. For the purposes of data collection, analysis and presentation, PCG included only those calls that were successfully completed, as defined as when appropriate and authoritative information has been gathered from the subscriber or a representative of the subscribing institution. All data presented represents results for individual journals.

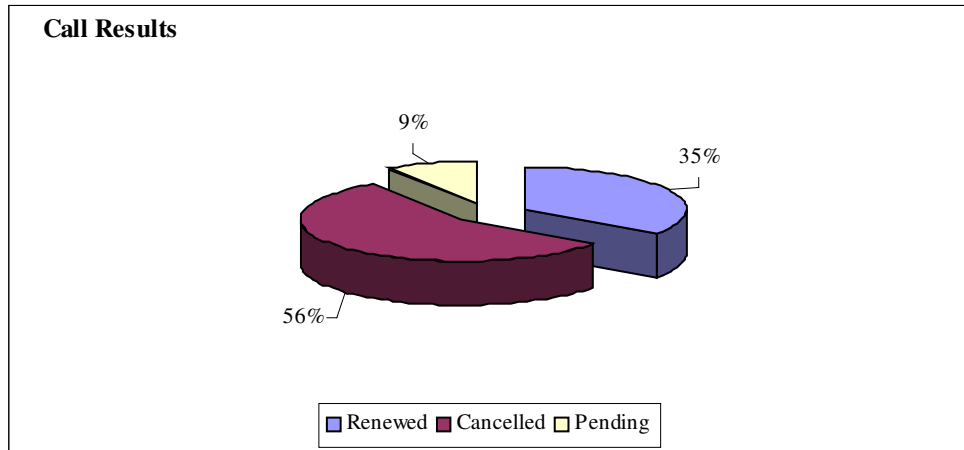
SAMPLE DATA ANALYZED

The sample data presented here represents results for 8,607 subscriptions and excludes the results of two 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

For the data set of 8,607 subscriptions examined, the following results were reported:

- 2,996 subscriptions were renewed
- 4,827 subscriptions were cancelled
- Decisions are pending regarding 784 subscriptions



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Renewed

In the case of 35% of subscriptions, the subscription was renewed. In many of these cases, the institution contacted changed subscription agencies, resulting in confusion about their current subscription status. In other cases, the librarian contacted indicated that the failure to renew was an error or oversight and the institution has once again renewed their subscription.

Pending

Renewal decisions regarding 9% of subscriptions presented in this sample are pending. In these cases, librarians are currently assessing their needs to determine if they will be renewing their subscription. Many librarians contacted reported that they were not aware that their subscription had lapsed and were grateful for the call bringing this issue to their attention. In a number of cases, the renewal decision is made in conjunction with faculty members, entire academic departments, and multidisciplinary committees. Publishers Communication Group, Inc. has continued to observe that typically half of all pending subscriptions eventually turn into renewals for our clients.

Cancelled

56% of the subscriptions included in this sample were cancelled. Many factors influence an institution's decision to cancel a subscription. Shrinking library budgets created a situation that called for a reduction in the library's collection at a substantial number of institutions contacted. While budget problems are the sole reason that a number of subscriptions were cancelled, Publishers Communication Group, Inc. believes that it is important to determine why the specific subscription in question was cancelled in lieu of another subscription. When the topic is explored in greater detail, the librarians contacted explained that because of reductions in collection budgets, they were forced to

institute a number of cost-cutting exercises including usage studies, faculty surveys and the elimination of duplicate subscriptions. The reasons for cancellation presented in the Tally of Responses clearly demonstrates that these factors contributed significantly to the cancellations identified in this sample.

TALLY OF RESPONSES	2004-2005
The journal received low use	22%
The journal's content is available electronically	22%
The library's budget prevented a renewal	15%
The journal's subject matter was no longer relevant	9%
The subscriber is no longer with the organization	6%
The cancellation was based on faculty recommendation	5%
The reason for cancellation was unknown	4%
The subscription was a duplicate	4%
The price of the journal is too high	4%
The library or institution is closed	3%
There is no current record of having a subscription	2%
Other miscellaneous responses*	4%

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CONCLUSION

The Reasons for Cancellation presented above point to several significant trends that continue to impact scholarly publishers' subscription base. If publishers address these pressing issues in a timely and appropriate manner, they could work to counteract the loss of subscribers they may be experiencing.

Low Usage

22% of all cancellations in this sample were motivated by low usage. In the majority of these cases, the low usage was not identified earlier because there was not a need to conduct a usage study in the past. The continuing budget problems, coupled with increasing subscription rates resulted in many libraries conducting usage studies and eliminating journals that may not have been eliminated in the past. While low use is occasionally attributed to poor-quality content, librarians more commonly cite the changing focus of researchers as the main reason for low usage. Also, librarians have indicated that the advanced and specialized nature of certain journals' content can lead to low use among certain populations despite the high quality of the research included because the level of specialization limits the potential user population.

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

* The miscellaneous responses represent unique circumstances relevant only to certain campaigns.

that their journal suffers from an inherent editorial weakness that could be addressed in order to increase usage.

Electronic Access

Another common reason why a subscription was cancelled was due to electronic availability of the content; 22% of all cancellations reported in this sample were the result of this factor. In these cases, the librarians had no criticism of the content and many indicated that they tend to cancel print subscriptions when the journal is available electronically. Most often, librarians reported that the journal contents was available electronically through aggregators and databases that the library already had access to, though it was also common for institutions to gain electronic access directly through the publisher. Publishers Communication Group, Inc. has observed this trend and the increasing impact of electronic access on paid print subscriptions.

Librarians anticipate that the change in format will result in higher use of the journal as a result of the increased convenience afforded by desktop access. Reflecting on the theme of reduced library budgets, it has also been a common trend for an institution to change to the electronic version of a journal subscription when cost-savings are possible.

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 continue to make strategic decisions related to the format of content delivery.

Budget Problems

Shrinking or flat library budgets continue to be a leading cause of subscription cancellations, resulting in 15% of cancellations in this sample. In many of these cases, librarians explained that the decision to cancel the subscription in question was solely made as a cost-cutting measure and did not necessarily reflect negatively on the quality of the content in the journal cancelled. Others indicated that there was not an urgent need for the subscribed-to information; in many cases, faculty members have made the decision to order journal articles through document delivery services in order to reduce expenditures despite the fact that this will result in a delay in accessing the information.

It is important to note that in cases where the content was of interest, the potential for a renewal often exists if the funds become available. By contacting these clients directly, publishers can raise librarians' awareness of their journals and can take the first step in securing new subscriptions and renewals when and if the financial resources of the libraries increase.

Non-Renewal Campaigns are an important tool for recapturing lapsed subscriptions and collecting invaluable market research on the purchasing behaviors, trends and preferences of clients. It is only when the information gathered through a Non-Renewal Campaign is integrated into a broader marketing and promotion campaign that publishers can appropriately respond to the changing market dynamics impacting scholarly publishing.

The Author

As Head of Research, Joshua is responsible for all aspects of PCG's Research Services, including teleresearch and online surveys. As the Research Analyst, he analyzes the results from campaigns and presents them to clients so they can implement the findings. Joshua came to PCG with experience as a senior researcher in an international executive search firm. Joshua recently completed his MS in Library and Information Science at Simmons College where he was recognized as a James M. Matarazzo Scholar. Joshua uses his knowledge of the library and publishing markets to help inform PCG clients about the latest developments in these fields. Joshua is an active member of the Special Libraries Association (SLA) and he will have two articles published in the December 2005 issue of *Information Outlook*, the professional journal of the SLA.

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About Publishers Communication Group, Inc.

PCG was founded in 1989 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 institution.

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.

Maintaining an office in another country is expensive and difficult to manage. PCG's *Representation Services* offer programs to publishers worldwide that will minimize costs and provide customers easy, direct contact with you. Take advantage of our global presence and ability to provide this valuable service in both North American and Europe.

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