Trends in Journal Subscription Renewal and Cancellation

2003-2004
This report provides a detailed example of trends impacting journal subscription cancellation and renewal for scholarly publishers as identified by Publishers Communication Group, Inc. during 2003 and 2004. 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 2003 through June 2004, Publishers Communication Group, Inc. completed 39 Non-Renewal Campaigns for publishers of scholarly content. The purpose of these calls was to encourage libraries to renew their subscription. Callers 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. If a subscription was renewed, payment information, such as date of payment, amount, invoice and/or check number and the name of the subscription agency used when available, was collected. If a subscription was cancelled, callers probed further to determine why it was cancelled. If a subscription decision was pending, callers took the opportunity to encourage a renewal.

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, Publishers Communication Group, Inc. 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 represent results for 6,000 subscriptions. 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 6,000 subscriptions examined, the following results were reported:
- 2,868 subscriptions were renewed
- 2,051 subscriptions were cancelled
- Decisions are pending regarding 1,081 subscriptions

Call Results

Renewed
In the case of 48% 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 18% 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 observed that typically half of all pending subscriptions eventually turn into renewals for our clients.

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.

<table>
<thead>
<tr>
<th>TALLY OF RESPONSES</th>
<th>2003-2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>The library’s budget prevented a renewal</td>
<td>14%</td>
</tr>
<tr>
<td>The journal received low use</td>
<td>14%</td>
</tr>
<tr>
<td>The journal’s content is available electronically</td>
<td>14%</td>
</tr>
<tr>
<td>The reason for cancellation was unknown</td>
<td>10%</td>
</tr>
<tr>
<td>The journal’s subject matter was no longer relevant</td>
<td>8%</td>
</tr>
<tr>
<td>The subscriber is no longer with the organization</td>
<td>7%</td>
</tr>
<tr>
<td>The cancellation was based on faculty recommendation</td>
<td>5%</td>
</tr>
<tr>
<td>The subscription was a duplicate</td>
<td>5%</td>
</tr>
<tr>
<td>The library or institution is closed</td>
<td>4%</td>
</tr>
<tr>
<td>There is no current record of having a subscription</td>
<td>4%</td>
</tr>
<tr>
<td>The price of the journal is too high</td>
<td>4%</td>
</tr>
<tr>
<td>Other miscellaneous responses*</td>
<td>10%</td>
</tr>
</tbody>
</table>


CONCLUSION

The Reasons for Cancellation presented above point to several significant trends impacting 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.

Budget Problems

Shrinking or flat library budgets continue to be a leading cause of subscription cancellations, resulting in 14% 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.

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

© 2004 Publishers Communications Group, Inc., 875 Massachusetts Avenue, 7th Floor, Cambridge, MA 02139
(617) 497-6514. Reproduction strictly prohibited.
Low Usage
14% 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 instances of faculty members departing the institution resulting in a change in usage levels of certain journals due to a shift in research and curriculum focus. 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 including 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.

Electronic Access
Another common reason why a subscription was cancelled was due to electronic availability; 14% 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, journal content is available electronically through aggregators and databases that the library already has access to, though it is also common for institutions to gain electronic access directly through the publisher. Publishers Communication Group, Inc. has observed this trend throughout the year.

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.

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
Joshua Clarke is the Research Analyst at Publishers Communication Group, Inc. He is responsible for analyzing the results from marketing campaigns and presenting them to our clients so they can implement the findings. Joshua is completing his MS in Library and Information Science at Simmons College and uses his knowledge of the library and publishing markets to help inform PCG clients about the latest developments in these fields. Joshua was recently honored as a James M. Matarazzo Scholar at the Simmons College Graduate School of Library and Information Science in recognition of his achievements and commitment to the field of corporate librarianship.

Joshua Clarke
Head of Research and Analyst
Publishers Communication Group, Inc.
jclarke@pcgplus.com
http://www.pcgplus.com
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.

Publishers Communication Group, Inc.
617-497-6514
http://www.pcgplus.com