

Selling to Libraries in Emerging Markets Research from Latin America



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ACCUCOMS was established in 2004 and has quickly become a leading provider of sales and marketing services to academic and professional publishers around the world.

We offer a range of services that include: direct marketing, telemarketing, sales representation and support, market research and customer service.

We are an independent company, backed by some of the industry's leading strategic thinkers. Our multilingual team has an in-depth knowledge of the complex interactions between publishers, subscription agents, librarians, readers and authors. Our clients range from global publishing houses through to small specialist society publishers.

Our market intelligence reports provide insights into how the market is changing and what publishers can do to use these changes to their advantage.

Executive Summary

Publishers are familiar with selling into traditionally core markets such as Europe and North America, but emerging markets represent new challenges. Cultural and economic differences require publishers to adapt their sales techniques if they are to be successful.

To help publishers evaluate the opportunity that these emerging markets might offer, and to provide an overview of how best to sell to them, ACCUCOMS has undertaken a program of market research using Latin America as an example.

World Bank reports and information from the Organization for Economic Cooperation and Development (OECD) demonstrate that the market in Latin America is growing. Inflation has stabilized at single digits, trade openness is increasing, expenditure on education is increasing and China is investing heavily in the region.

ACCUCOMS conducted a survey by phone and email with 100 librarians in Latin America and discovered that online resources are a significant and growing part of a library's collection. Most librarians anticipate their budgets increasing and plan to invest in a wide range of resources (particularly e-books, online databases and journals) over the coming years.

The survey also revealed the importance of contacting librarians in their local language, and in providing responsive customer service. Personal visits and regular email communication are also appreciated, but where this is not possible, local subscription agents and consortia are also an effective way to communicate with librarians. Publisher websites are a key source of information for librarians in this region and free trials and

sample issues help them assess potential new purchases. Information in all cases should be provided in the local language. Online resources are a significant and growing part of collections, although perpetual access issues remain a concern.

Although budgets are growing, libraries remain restricted in what they can afford to purchase and as such they appreciate business models that offer them the flexibility to buy the content they most need, in the format they want, for a fair price that will not be subject to large price rises after the initial year. Online and print bundles – where available – remain by far the most popular subscription option (particularly where the online is given free with print).

A number of steps are recommended at the end of this report for publishers to take to help them increase the effectiveness of their sales efforts into this region.

Market Overview

A recent World Bank report¹ on development indicators for 2006 reveals that the market in Latin America is becoming more stable and showing signs of economic recovery.

Inflation is now in single digits and GDP is up 6%

Inflation has been brought down to single digit levels in most countries where double-digit rates had dominated in the 1990s, public debt profiles in many countries are improving and the whole region now generates a trade surplus (circa \$17 billion in 2004), although there remain significant differences between individual countries.

Impressive improvements are being made in social indicators – particularly education. Regional gross domestic product (GDP) rose by almost 6% across the region in 2004, with Argentina, Chile, Ecuador, Panama, Trinidad and Tobago, Uruguay and Venezuela performing above average.

Trade openness is increasing

The Organization for Economic Cooperation and Development (OECD) reports² that trade openness is on the increase, rising from around 20% as an average for the region in the early 90s to close to 45% by 2004. Those countries with the highest trade openness in 2005 include: Brazil (30%), Peru (33%), Colombia (36%), Argentina (40%), Uruguay (48%), Venezuela (55%), Chile (58%) and Mexico (60%).

Expenditure on education is increasing

The World Bank also reports an increase in expenditure on education in the region. Argentina, for example, has seen total spending on education as a percentage of GDP rise from 1.1% in 1990 to 3.5% in 2004.

Internet usage is on the up. In Argentina the number of Internet users as a percentage of the population has risen from 7% in 2000 to 20% in 2004. Brazil has increased from 3% to 11% in the same period, Chile

from 17% to 26%, and Mexico from 5% to 14%. This is accompanied by a rise in ICT (Information and Communications Technology) expenditure as a percentage of GDP.

China is investing heavily in the region

Latin America also looks set to benefit from China's rapid economic growth. China's outbound foreign investment reached \$7 billion in 2005 (a 26% increase over 2004) and 16% of this went to Latin America. This makes this region the second largest foreign investment area for China after Asia itself.

As the links between Asia and Latin America grow, we are likely to see a continuing decline in the central economic role of Europe, the United States and Japan. The balance may shift rapidly and it will be essential for publishers to quickly become familiar with these emerging markets and adapt to the way in which they wish to do business.

Despite these general trends it is important to consider that significant democratic and economic differences remain between the individual countries that constitute Latin America. Although the general area shows great promise for publishers to increase levels of sales, different countries offer different levels of opportunity and require different approaches.

References:

1. 2006 World Development Indicators database, World Bank
2. Latin America's Political Economy of the Possible: Beyond Good Revolutionaries and Free Marketeers. Javier Santiso, Chief Economist and Deputy Director, OECD Development Centre (January 2007)

Survey of Librarians

The market in Latin America shows great promise for publishers to increase sales into this region. However, selling into this market – in common with other emerging markets – requires a different approach to that employed in the more familiar markets of Europe and the United States. It is essential for publishers to understand the particular needs and preferences of librarians in this region if their sales and marketing efforts are to be effective.

To help better understand these differences, ACCUCOMS undertook a market research program to identify the most effective ways for publishers to sell to librarians in Latin America, and through this example provide further insight into doing business with other emerging markets.

Research Method

A random group of 100 librarians from countries across Latin America were contacted by phone (16) and email (84). Interviews were conducted in Portuguese for the Brazilian respondents and Spanish for all other countries. The phone interviews averaged 10 minutes in length.

Key questions covered by the survey focused on discovering what kinds of resources are currently available in the library; what resources do librarians envisage adding to their collections in the near future; what formats are preferred (print, online or both); what are the trends in library budgets; how do librarians prefer to receive product information from publishers; what offers and incentives are most effective and how important is customer service and communication in the local language.

Profile of Respondents

Most respondents were Library Directors based in Universities

Most of the libraries that were contacted were associated with a university.

Type of organization	Number	Percentage
University	86	86%
Hospital	8	8%
Research Institute	4	4%
Pharmaceutical	1	1%
Unknown	1	1%

The respondents were primarily Library Directors, followed by Acquisitions Librarians.

Role	Number	Percentage
Library Director	64	64%
Acquisitions Librarian	25	25%
Reference Librarian	4	4%
Subject Librarian	2	2%
Other	2	2%
Unknown	2	2%
Assistant Librarian	1	1%

The number of FTEs of participating organizations was varied but the maximum was 15,000. The numbers of users of the library varied from 60 to 875,000. The numbers of sites or locations that the organizations were spread across ranged from 1 to 35.

Survey Results

In general, the librarians contacted were very willing to participate in this survey. Clear trends emerged across the respondents and there was a general optimism about their economic position. Valuable information and insight

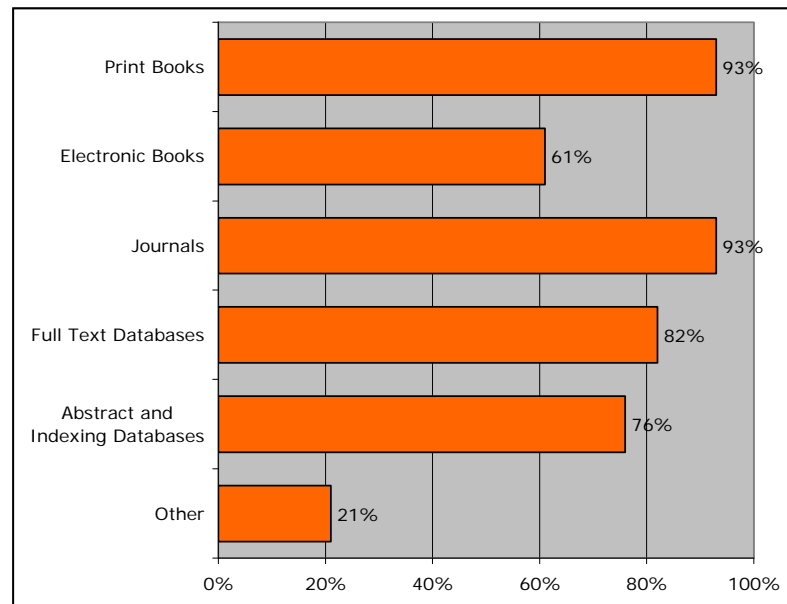
was gained on how publishers can increase the effectiveness of their sales efforts in the region.

1. Resources currently available

Online resources are a significant and growing part of collections

The most common resources available in libraries at the moment are books and print and online journals. The number of online resources is growing and provision by libraries of access to online databases and electronic books is already very significant.

Access to resources currently:



2. Resources planned to be added to the collection

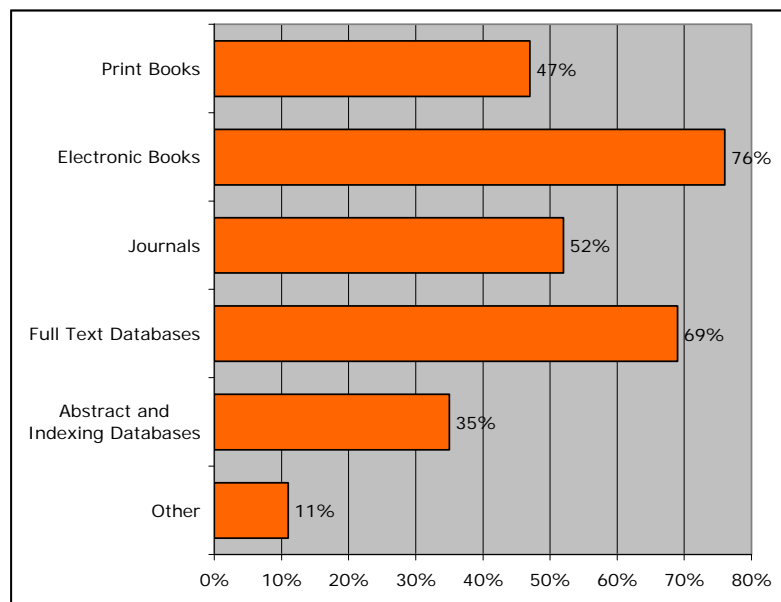
Librarians plan to expand their collections primarily by buying online databases and e-books

Librarians reported an increasing interest in purchasing online resources and there is a growing tendency to convert print resources to electronic versions. In general terms, librarians were optimistic that increasing budgets would allow them to expand their collections to cover most types of resources.

“At this moment we are evaluating several products via trials in order to purchase e-books at the end of 2007.”

“Most library users would like to have a library available for 365 days a year and 24 hours a day. That’s why we’re planning to add more full text electronic resources.”

Resources planned to be added to library collections:



3. Preferred format of resources

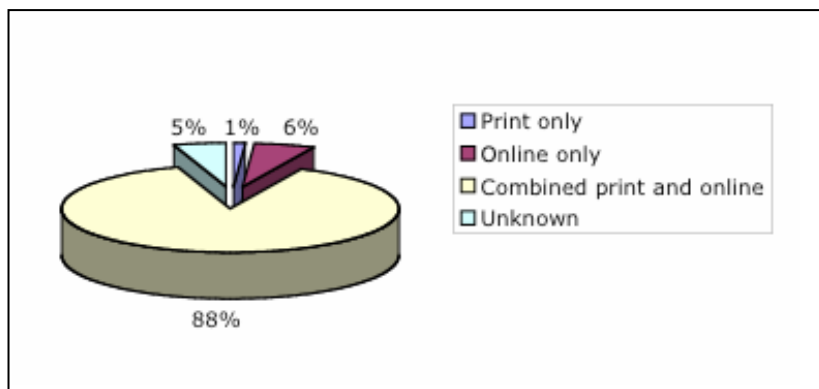
Combined print and online subscriptions remain the most popular

The preferred format for resources is dependant to some extent on the subject area, but on the whole librarians prefer to purchase both online and print formats where both are available as a package option. The usual reason for this is concern over perpetual access.

“The preferred subscription format depends on the subject area. In the humanities and social sciences people still primarily use print resources, while those interested in science, medicine and business prefer online resources.”

“Print resources are in some cases still preferred because not all publishers offer perpetual access to their online products. However, pressures on space mean that more print subscriptions are being changed to online only.”

Preferred format for resources:

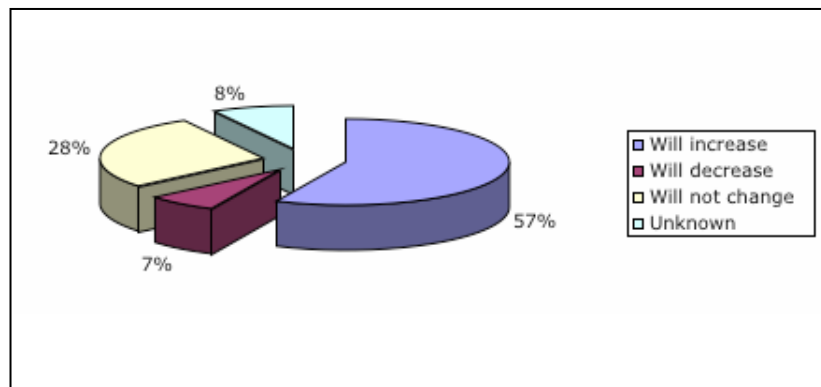


Library budgets are increasing

4. Library budget for the coming years

General market conditions are good and many of the librarians we spoke to (57%) indicated that their budgets were likely to increase in the coming years. They would be looking to invest this in expanding their collections.

Anticipated changes to the library budget:



Librarians prefer to be contacted by email and through personal visits

5. Preferred methods of receiving information

Asking librarians about their preferred method of contact from publishers revealed some interesting results. Most librarians preferred to be contacted by email rather than direct mail or phone calls. Librarians also appreciate personal visits from publishers but are equally happy to deal with subscription agents and via consortia. A publisher's website is an important source of product and service information.

“Receiving information via consortia is very important and it would be helpful if besides national consortia there would also be more international consortia to increase the cooperation between Latin American countries.”

“Subscription agents contact us about renewing existing subscriptions but they don’t provide much information on other publisher products. It would be appreciated if subscription agents could provide libraries with more information on other products available from publishers.”

“Personal visits by publishers are very important to learn about new products.”

“Receiving information by email is very useful as this is the easiest way to forward the information to researchers and enquire about a possible interest in a product.”

Method of contact	Prefer	Neutral	Don’t prefer	Don’t know
Consortium	43%	16%	13%	28%
Subscription agent	46%	13%	12%	29%
Personal visit	47%	15%	14%	24%
Telephone	14%	15%	34%	37%
Email	65%	11%	3%	21%
Postal mail	22%	20%	21%	37%
Publisher website	51%	13%	5%	31%
Conference	44%	22%	5%	29%
Trial	71%	10%	1%	18%
Sample issue	57%	15%	4%	24%

6. Preferred publisher offers and incentives

Libraries want fair prices and minimal increases once they have purchased

Publishers offer librarians a variety of ways of trying out their products and then use price incentives to persuade them to buy. Trial access periods are the most popular way to assess a product but sample issues are also still appreciated. Although budgets are increasing, price remains a critical factor in a purchasing decision. Initial discounts help but librarians are aware that when the product reverts to the full price then the affordability of renewing becomes an issue. On the whole librarians want fair pricing, flexibility and choice in selecting what they

need from large subscription packages and minimal annual price increases.

“I hope that publishers will keep offering the possibility of accessing their products for a trial period as this helps us evaluate the products before deciding on a purchase.”

“Packages of journals do not always correspond to a library’s needs, as sometimes only 2 or 3 titles are needed and to get them the library has to pay for the whole package. It is better to have individual subscription prices for each journal.”

“A discount in the first subscription years is not very helpful, as this discount will disappear after the first year and then it would be difficult to find enough budget to maintain the subscription.”

“It is OK for the subscription price to increase, but not by too much. It would be better if prices only increased once every 3 or 4 years.”

Publisher offer/incentive	Very positive	Positive	Neutral	Negative	Very Negative	Don't know
Trial period	65%	13%	5%	0%	1%	16%
Sample issues	39%	26%	12%	1%	1%	21%
Package discounts	41%	32%	6%	2%	0%	19%
Valued client discounts	29%	28%	13%	3%	1%	26%
Discount for first year	31%	36%	6%	3%	0%	24%
Free online access with print	56%	19%	5%	0%	0%	20%
No annual price rise	57%	16%	6%	1%	0%	20%

7. Attitudes to language and customer service

Being contacted in their local language is important

The two most important factors for librarians in this region with regards to developing good relationships with publishers are responsiveness and being contacted in their own language. Good customer service is seen as essential for helping resolve problems and also for technical assistance. Librarians also want to be kept informed of changes to existing products and also to be made aware of new products and services that their users might benefit from.

“It is important that publishers provide technical assistance to other sites beyond the main campus of a university who may have problems with online access to resources.”

“Receiving frequent phone calls or email from publishers regarding existing subscriptions is very important in order to keep in contact with publishers and solve any problems.”

“A lot of problems with access to resources occur because publishers do not answer questions or respond to complaints. Sometimes we have to decide to cancel a subscription because a problem regarding online access or missing print issues is not solved by the publisher.”

“It is important that publishers contact their clients in their own language because although many librarians speak English, it is easier and they understand better if they are contacted in Spanish.”

Importance of customer service	Very important	Important	Neutral	Not important	Don't know
Technical assistance if necessary	43%	34%	2%	4%	17%
Frequent phone calls regarding existing subscriptions	13%	32%	19%	14%	22%
Receive information on changes and new products	33%	41%	5%	6%	15%
Quick answer to questions and complaints	70%	8%	1%	5%	16%
Being contacted in own language	59%	17%	3%	4%	17%

Conclusions and Recommendations

The market in Latin America is growing and librarians are planning to expand their collections by buying new resources in multiple formats, particularly e-books, online databases and journals.

Those publishers likely to be most successful in this market are those that engage in ongoing communication programs with librarians, in their local languages. This has to be maintained throughout the sales cycle from introducing new products right through to post-sales support.

The publisher services most appreciated by librarians in Latin America are direct and personal contact, responsive customer service, the availability of free trials and sample issues, and fair pricing with minimal rises in subsequent years. Librarians in this region are increasingly investing in online products; helping them benefit from the ease of access this grants their users as well as reducing space costs. Perpetual access remains a concern.

Key steps a publisher can take to maximize their chances of success in this market are:

- Provide Spanish and Portuguese translations of key information on publisher websites
- Translate key promotional materials into Spanish and Portuguese



- Establish a program of email communication with librarians, inviting them to sign-up for local language email alerts to new products and services
- Offer free trials and sample issues of new products
- Follow up post-sales to ensure librarians are happy with their purchase and to offer further support or technical assistance if required
- Provide information on perpetual access policies to reassure librarians that they will enjoy ongoing access for online-only purchases
- Work closely with subscription agents active in South America to help use them as a channel for marketing the availability of new products and services
- Promote new products and services directly to library consortia in Latin America
- Consider appropriate business models that can offer librarians stable and predictable pricing over a number of years and also give them flexibility and choice in deciding what to buy in terms of content and format
- Arrange personal visits where possible to help build relationships and learn more about the needs of this growing market