
The Evolution of Approval Services

MARTIN WARZALA

ABSTRACT

THIS ARTICLE ILLUSTRATES the major developments in book approval plans and information dissemination and document distribution services based on approval-like concepts. A brief history of modern book approval plans and approval-like services and an analysis of market trends supports responsible speculations on their anticipated evolution.

Gathering plans to support efficient acquisition of current library materials have their roots in blanket order plans of the late 1940s. Individual arrangements were made by large domestic public and select academic libraries with publishers and book dealers. In general, blanket orders operate by a library requesting a publisher or dealer to supply one copy of every title of a publisher's output or one copy of all of a publisher's output in select subject areas as they are published. Titles distributed to clients are nonreturnable. A notable example is the Greenaway Plan. Named for Emerson Greenaway who, as director of the Free Public Library of Philadelphia in the 1950s, arranged for publishers to send all their trade books to a library in advance of their on-sale date (Strauss, 1983, p. 298). Blanket orders are used for single copy acquisition and as review copies to support decisions for multiple copy purchases. The service supports reduction of some verification and ordering processes in libraries. Suppliers are assured of standing order sales of a select amount and/or universe of current publications. They must address the associated costs of

performing this type of service including marketing, selling, packaging, billing, and required customer service contact.

Book approval plans achieved their predominant character in the early 1960s. Richard Abel, and other vendors who followed, demonstrated that the book purchasing habits of academic libraries could be predicted once the subject areas of primary interest of each library were known. Modern approval plans operate with the following processes as their foundation—these remain relatively consistent through the life cycle of most approval and approval-like concepts. Elements analogous to a library's selection criteria are recorded by a supplier in a form known as a profile. Vendors compare pre- and postpublication data about books with these profiles. Books which corresponded to data which match profiles are supplied to client libraries for in-hand review and selection. Those deemed unsuitable for acquisition may be returned to the supplier at no penalty to the library. Other variations of approval service provide clients the option of receiving notification forms, which include descriptive and availability information about books instead of generating automatic shipments. These forms are used for review and pro-active order generation by clients.

Cargill and Alley's (1979) classic text, *Practical Approval Plan Management*, documented the rationale for use of the service in a library.

1. Comprehensiveness of coverage.
2. Timeliness (in arrival of materials).
3. Freedom to return without advance authorization.
4. Time- and labor-saving features in these areas: reading publisher catalogs and reviews, pre-order searching and verification, vendor selection, order preparation, filing, and invoice processing.
5. An organized approach to collection development which can result in a better balanced collection through the preparation of a profile.
6. Book selection is done with book in hand.
7. Useful generalized and specific statistical reports from vendor based on approval plan records for library.
8. Access to approval vendor's historical data base.
9. Interface of standing orders and approval plans.
10. Access to vendors' wider knowledge of publishing output. (p. 4)

From the early 1960s to the late 1970s, vast amounts of money were being pumped into academic libraries for book acquisitions. Academic library personnel budgets were not increasing at a corresponding rate, and book selection and ordering procedures were labor intensive. Simultaneously, relatively affordable computer technology emerged which supported data processing that facilitated performance of library collection development functions by library material suppliers. The combination of these factors—the proliferation of scholarship and associated publishing along with the

previously noted user rationale—solidified the position of approval plans as legitimate tools to support acquisition and collection development for books in academic and research libraries.

Libraries which adopted the modern approval concepts abdicated certain technical service responsibilities—most significantly book selection—to library material suppliers. Suppliers developed and marketed approval plans in this time period to generate profit as a result of book sales attracted by the value-added collection-development services. Provision of these services increased the supplier operating costs for: computers and computer specialists to address data processing operations; librarians and book specialists who are required for traditional library technical processes and more demanding publisher contact functions.

The acceptance of modern approval services has had an impact on existing blanket order services, and there has been some anomalous activities in publisher-direct applications. Approval plans are more attractive in instances when subject control, extensive one-source publisher coverage, and/or review and return privileges are desired. Future blanket order services, particularly from trade publishers, will be limited as is indicated by the following comments regarding publisher direct sales to libraries.

Although the jury is still out on direct selling, many trade publishers have said they find the additional fulfillment and commission costs can be justified only by much higher unit sales, and some wonder how many of the orders generated by their sales people [directly to libraries] are actually orders diverted from wholesalers rather than incremental sales. (Myller, 1983, p. 225)

It is likely that trade publishers, with their low margin per unit titles, have reason to question provision of operationally costly services which may be better handled by resellers. However, there is evidence of other publisher-direct plans which are likely to remain viable. Scientific Technical and Medical (STM) publishers that produce high price and high margin titles are profitable with relatively low unit sales. Society and association publisher plans, which originated as services to constituents, have flourished and will continue to flourish. A third group identified as traditional reference book publishers which are sole source, or discount unfavorably to resellers and agents, is likely to grow. It is perceived that the titles produced from this type of publisher are essential and consequently bought by libraries, regardless of cost or distribution arrangements. Recent history shows that publishers of this character are producing machine-readable formats as alternatives to these same hard-copy staples. The publisher-direct approach is used to facilitate marketing and provide direct control of the obligatory and associated licensing agreements of the

machine-readable formats. Initially, it is likely that publishers who adopt this approach will lose unit sales as a result of a captive audience thoroughly examining multiple copy requirements of identical titles, and absorb the costs associated with distribution of single and low-unit orders. What will be gained in the long term is a direct marketing and sales conduit for enhanced high cost and margin, electronic versions of products. It is worthy to note that most book suppliers have shied away from distributing machine-readable formats of these titles from publishers that have actively pursued reseller distribution channels. This is a distinct contrast to periodical/subscription agencies and vendors which have aggressively pursued their distribution.

From the mid-1970s through the late-1980s, computer-supported communication technology, large-scale bibliographic utilities, shared bibliographic databases, MARC format for bibliographic data, and affordable library automation became the rule rather than exception. Accordingly, current approval plan applications have become more intricate. Data and information processing have been enhanced by third, fourth, and fifth generation computing which supports improved supplier collection development functionality as well as provision of bibliographic access and control processes.

Suppliers aggressively developed and marketed additional value-added services associated with approval plans (which originated as a value-added service) to make them more attractive and to provide distinction from the services available from competitors. Some suppliers established revenue generation by charging for the information associated with the services themselves, separate from material sales. The following services, which at one time were available only from bibliographic utilities or, in some cases, periodical/subscription agents, are now commonplace: online access to vendor approval databases for title, in-process, and client/profile specific match information; machine-readable/electronic output including invoices, in-process acquisition records, and/or full MARC/CIP records with approval service control elements, customer defined elements, and/or invoice data output to client specified fields and formats; and distribution of select maintenance functions to the client's computer or integrated library system including profile-specific claiming and receipt of claim confirmation responses without intervention by a supplier's personnel.

Developed automation enhancements associated with an approval service contribute to financial impacts which must also be considered. There are costs associated with telecommunications and computer processing (with clients' systems and those of suppliers), which one way or another are absorbed by the client. Suppliers that have recognized the desirability and cost impact of these computer-based

applications are charging for dial-up access to versions of their approval title databases, subscriptions to machine-readable versions of the same data and information, and various machine-readable and electronic outputs. (This is a comparatively new phenomenon for book suppliers in contrast to serial/periodical suppliers, who have traditionally charged for similar services.) Clients that misuse sophisticated searching and verification access facilities risk reducing their internal approval processes to those of manual ordering. By adding labor intensity to library processes associated with approval, even if they are performed at the terminal or through review of machine-generated exception reports, the client is defeating part of the purpose of approval service—cost saving realized through efficient and automatic acquisition of library material.

Another factor which must be considered is that the economic climate has changed in comparison to that of the time of development and mass acceptance of modern approval services. Funds available for library materials are pressured by a more desired format in academic institutions—serials. The price of all library materials has increased, on average, at a rate greater than general inflation or the Consumer Price Index. Along with these economic factors, the cost of the following must be considered: volume of information proliferation (in addition to unit price inflation); bibliographic control of information; nontraditional (electronic) formats of information; library automation; and library staff. These trends have contributed to the reshaping of approval service in comparison to the simple comprehensive book gathering plans of the mid-1960s. Individual approval profiles have become more specialized and generate lower automatic book unit shipment quantities. Suppliers, however, must still attempt to provide comprehensive coverage as a service commitment. Thus they are increasing resource expenditures to acquire information and condition and control data related to an increasing number of titles of which fewer units are sold.

The erosion of the academic book market has stimulated examination and development of approval services tailored for other market segments, most notably public libraries, as books/monographs still dominate material budgets for this type of library. The erosion of the academic book market has also stimulated another transition in the life cycle of approval services—research and development to support the implementation of a conceptually approval-like application—Selective Dissemination of Information (SDI) services—in academic and research libraries. SDI is currently used in the corporate/special library markets and is likely to be viable when tailored to the academic environment by relation to document and library material distribution. The current providers of this type of

service have computer and information system orientations and limited document distribution facilities.

In the short term—before 1995—library material suppliers will continue to enhance and develop sophisticated levels of automation, database management, and associated bibliographic services, not only to support library material distribution but to generate some profit from information dissemination in a manner similar to, but at a higher level than, the surviving bibliographic utilities. Though information products will be expanded in this time period, the key characterization of the services will remain the generation of revenue by sale of library material attracted by collection development and associated bibliographic access and control services. The preeminent suppliers of approval services will offer material coverage which is comprehensive and includes multinational source juvenile and general adult titles in addition to those of an academic nature. They will also treat other recorded medias such as audio, video, CD-ROM, and Compact Disc Interactive products.

Other material-distribution oriented services which have their foundation in approval-like concepts will flourish for libraries which have sufficient funding and require book collection development. Prepublication notification in hard copy, machine-readable, and electronic formats will serve to support library acquisitions and collection development. Profile and match mechanisms, and the reports generated from data conditioned and related to titles, will continue to be used to support opening-day collections as well as retrospective book/media collection-development projects and specialized selection lists and bibliographies (produced in hard copy, machine-readable, and/or electronic formats). These features will be enhanced by availability and application of peer/core library collection and holdings data. The facility to interface multiple profiles for multiple client and/or related sites will also be enhanced and will support automatic coordinated collection development for current material acquisitions. Libraries will have the option of having profile functions, which are presently maintained in vendor systems, reside in their local systems. This will distribute profile control closer to clients, and they will have the option of performing almost all approval inquiry and maintenance activities from their personal computer or integrated library system. These tasks will be performed without intervention by a supplier's personnel. Communication and distribution of functions will be easier in the future as unique electronic record and communication formats are replaced with industry (not necessarily library and book trade) standards.

The combination of the previously mentioned features will make some suppliers a "one stop source" for all library materials and

associated bibliographic access and control services. It is likely that many present providers offering approval services may not be able to keep pace with the financial commitment required for multinational publisher coverage and/or technological research and development to support associated information services. Further, charging for some approval-related services in their own right, not necessarily associated with material distribution, will be institutionalized by suppliers and accepted by the library community.

In the long term future, from the mid-1990s on, approval services—or, more accurately, services based on approval-like concepts—will bear little physical resemblance to those established in the 1960s. However, the foundation processes and rationale for use will be similar to the time in which modern approval services were born. Approval plans that have a purely book distribution orientation will be concentrated in public libraries and applied on a very limited basis in the academic and research library environment. Developed information dissemination features, particularly in the academic and research market, will have an SDI orientation, and automatic material distribution will be an associated ancillary feature. The key capital expenditure in this environment, both for suppliers and clients of the services, will be for information processing and communication and not library material distribution and acquisition costs. Providers of the more sophisticated and comprehensive services will be analogous to gateways similar to those currently used to access information utilities/networks and nonbibliographic databases. Like archetypical modern book approval services and their current manifestations, providers will precondition data before they are made available. These processes will be supported by artificial intelligence and automated text analysis performed without operator intervention. Service providers will have access to sources of hard-copy serials, on-demand document production and distribution services, bibliographic and nonbibliographic databases, and even books.

As functions analogous to a profile are distributed in their entirety to the client's library/computer system, the client user will absorb the cost of data control and maintenance for these elements. It is not unreasonable to speculate that profile functionality will be distributed by service providers directly to end-users, and systems will have the potential to utilize extremely objective determinants of collection and information management. In the academic environment, for example, future information systems, supported by software produced and available from suppliers and operated by clients, will take into account information—such as the number of faculty in a subject discipline, the number of students in a subject discipline and their academic levels, circulation patterns, available

budget funds, and so on—to determine what material/information is automatically ordered/requested from a supplier or information producer. Similar paradigms can be drawn for individuals or nonacademic institutions, especially corporate/special libraries/information centers which will continue to take advantage of SDI services as well as their relation to material distribution. In these paradigms, information producers will generate revenue from data collection and organization, editorial control, production, and quality control (similar to conventional publishing). Service providers will generate their revenues from charging for developed access tools and mechanisms (including profile mechanisms) and the associated profit margin from information dissemination and material distribution. End-users and corporate entities will become more significant target markets for service providers than institutions.

These speculations are not too farfetched. Cost efficiency is an attractive feature as institutions and/or end-users will be charged only for access and services rendered, and there will be reduction of information which is warehoused and the associated warehousing costs. There will be cost savings in library physical space, bibliographic access and control, and material preservation. This pattern reflects present trends in access which is supported by sophisticated technology rather than possession of packages in which information is contained. Similar foundations and rationale to those which solidified the development and acceptance of the modern book approval plan will support the noted evolution of services. Attributes of information acquisition and collection development processes are analogous to those noted by Cargill and Alley (1979) and can be paraphrased and updated to have relevance to present and future characteristics of these tasks. Work routines to support proactive collection management (or individual user efforts to acquire information), even in an automated environment, are labor intensive. The prime interest of information professionals and their clientele is timely access and control of current information. Information purchasing, regardless of the package in which it is contained or the source from which it is acquired, can be predicted, and the automatic or proactive acquisition of information can be accomplished by matching preconditioned data describing the information content with recorded analogous elements which describe client collection requirements.

Existing approval service providers may remain book/material oriented and exploit extremely limited marketing opportunities which can be pursued by non-innovative concerns in a competitive technologically advancing marketplace. C. K. Prahalad, cited in an article entitled "Closing the Innovation Gap" by Brian Dumaine (1991),

gives insight to the likely future of approval service suppliers that do not evolve or commit to new product and service development. "The global and competitive battles of the 1990s will be won by companies that can get out of traditional and shrinking product markets by building and dominating fundamentally new markets" (Prahalad, 1991, p. 57). Dumaine (1991) goes on to state: "Further, as new technology spreads even faster, even advanced products (such as personal computers) quickly become like commodities bought solely on price. So coming up with the genuinely new becomes all the more important" (p. 57). Based on these conclusions, it is likely that the viable providers of automatic collection development and enhancement services will progress further into the realm of information services and away from mere material distribution. Those that make this jump will find themselves in competition with, and technologically behind, entities other than current book, serial, and subscription suppliers. Computer manufacturers, system developers, communication services, information utilities, software producers, information management providers, and entertainment conglomerates, have already established infrastructures to provide noted services.

In conclusion, modern approval services developed and flourished as tools to support academic library book acquisition and collection development. Supplier revenues were achieved as a result of sales of material attracted by collection development services. The current and immediate future phases of approval service development include intricate control mechanisms and application of extensive bibliographic access and control services which are more characteristic of bibliographic utilities. The present client base is predominantly academic libraries, and profiles are intricate and restrictive, as in most cases monographs/books are a secondary collection priority in this market. In the current and immediate future phases of approval service development, some profit-generating information services exist and will be enhanced, in contrast to development of value-added services which stimulate book purchases. In the immediate future, the client base of book approval services will shift to the public library market as its acquisitions are and will likely remain book oriented. Simultaneously, SDI will be developed for the general academic and research libraries and it will be associated with material and document distribution. These services will dominate automatic collection management in the academic and research library market in the long-term future. Though the rationale and advantages of using concepts which have foundations that evolved out of simple automatic library gathering plans are appropriate means to address automatic information dissemination into the next millennium, it is likely that many of the current sources of approval and automatic

collection development services will become victims of a natural selection process. Surviving concerns will have an information dissemination rather than material distribution orientation, and they will find themselves in competition with aggressive, technologically advanced, nontraditional entities.

REFERENCES

- Cargill, J. S., & Alley, B. (1979). *Practical approval plan management*. Phoenix, AZ: Oryx Press.
- Dumaine, B. (1991). Closing the innovation gap. *Fortune*, 124(13), 56-59, 62.
- Myller, L. (1983). The library market. In R. A. Carter (Ed.), *Trade book marketing: A practical guide* (pp. 209-226). New York: R. R. Bowker Company.
- Strauss, M. E. (1983). Jobbers. In R. A. Carter (Ed.), *Trade book marketing: A practical guide* (pp. 177-185). New York: R. R. Bowker Company.