SUBSCRIBER POWER:
SUBSCRIBER OR PUBLISHER, THE DRIVING FORCE BEHIND DEVELOPMENTS IN SUBSCRIPTION SYSTEMS?

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A supplier of computer systems to publishers examines legislative and customer service driven changes, together with future developments, issues and concerns.

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Introduction

By looking at the experiences of one supplier of computer systems to the publishing industry I try to identify the driving forces behind the changes in the systems that manage the subscription function for publishers. Most recent changes fall into three categories - legislative, customer service driven and enhanced functionality. The first part of this article looks at these recent changes. This is then followed by a look forward at the journal publication business to see what effect future developments might have on subscription systems.

Vista Computer Services Limited developed their first subscription system in 1982 with one of the earliest users being International Thomson Publishing Services (ITPS) who support a number of major journal publishers including Routledge, Sweet & Maxwell, Rapid Communications and Janes. The original system has been consistently developed and enhanced since then and is used by more than 20 publishers world-wide to manage the subscription function of their business. Most of the enhancements made in the past two to three years emphasise the desire of the majority of publishers to provide a better service to their subscribers.

Legislative changes

The new European Union VAT regulations which came into force on the 1st January 1993 required substantial changes to be made to the software, a situation made even more demanding because the rules laid down by HM Customs & Excise were anything but clear. The issues to be tackled were even further complicated because journal subscriptions are involved in a high level of "triangulation". That is to say, there are often three parties involved - the reader/subscriber, the subscription agent and the publisher. This is further confused because some of the subscription agents are not actually based in the European Union! A great deal of determination and hard work by Vista consultants

produced a Briefing Note clearly setting out the rules. This has become accepted as the best "user friendly" document available on the topic and is now available to assist in the production of compliant systems. The only downside to the whole thing is that the rules are destined to change again in 1997!

Other legislative changes were required as a result of the growing international nature of journals publishing and distribution. In particular, in the USA where a three tier tax structure, frequently changing tax rates and complex reporting requirements demanded a more effective way of working. So for journals sold in the USA comprehensive facilities were added to the systems to cater for these involved taxation requirements. Similar, although slightly less complex, changes were also required for companies selling into the Canadian marketplace.

Customer Service driven

A whole range of features have been introduced to handle those subscriptions that are not renewed promptly. Grace copies can be dispatched, the number being pre-determined on a subscription by subscription basis and catch-up dispatches are catered for if the subscription is renewed.

Greatly enhanced claims processing facilities have been introduced. The handling of claims is now much more automated. Missing issues can be efficiently dispatched and standard letters can now be generated with ease. Analyses can be produced to demonstrate to the publisher where any dispatch problems lie - with a particular printer, dispatch service, country or customer.

One change that provides a marketing tool for the publisher and a better deal for the customer is that of "Full Sets". A "Full Set" is a bundle of journals with a common topic. For example, a customer might have a general interest in science covering a variety of topics but may not wish to subscribe to three journals that deal with his interests. However, if a publisher "bundles" three related titles together and offers them at a reduced rate the customer may well be persuaded to take all three, to the benefit of subscriber and publisher alike.

Some publications have a fixed subscription year, say January to December. Subscribers who wish to start at other times of the year either pay a full subscription and get all the back issues, or they pay a partial subscription and then fall in line at the next renewal. There is now a third choice available - an anytime start allows the publisher to start a subscription at any point throughout the year and run for the full subscription period, usually twelve months.

Enhanced functionality

Increased functionality has been added in three areas: full ABC and BPA audit requirements are supported - an essential requirement for journals which carry advertising; the system has been developed to share data with marketing and promotional systems allowing more sophisticated rules to be followed for mailing campaigns; and enhancements have been made to cater for the three and four digit volume numbers to be found in long established journals.

Future developments, issues and concerns

Traditionally, publishers of books and journals have kept the processing of the two products apart. In some cases, in separate departments, as at Cambridge University Press, or with different trading companies as at Macmillan. This situation is beginning to change and will continue to change into the future. The term "One Stop Shopping" is being talked about more widely. In this context it means that a customer contacting a publisher to place an order for books and journals is handled by one person/department only. At its crudest this could be achieved by taking all the details on paper and then subsequently processing the data through two separate systems. In other words cheating and leaving the way open for errors and inefficiency.

Systems are already being developed that will handle both books and journals. What the customer sees as a single order is handled as a single process and produces a single initial invoice. These facilities have been available for many years in the very specific field of reference publishing - mainly law and tax works - but in these instances the subscription element of the system did not need to have the same wide reaching functionality as the full-blown subscription package used to handle journal

subscriptions. The latest developments aim to couple the extensive capabilities of the system for handling books with the fully functional journal subscription software.

Further developing the concept of "One Stop Shopping". The next stage is "One Stop for Everything" where the principle is to deliver to the desktop all the information a clerk would need to handle almost any request from the customer. This could give a clerk access to:

- full customer information
- automatic customer recognition (available from the telephone system)
- current and lapsed subscriptions
- any orders for books, both fulfilled and unfulfilled
- financial information showing payments made and due
- full product information on own company
- full product (bibliographic) information on other companies (available from CD-ROM on the PC)
- word processing (available from the PC)
- FAX facilities from the screen (available from PC products)

Core business software here only provides part of a complete toolset needed to deliver the expected service levels. To give the clerk the full range of facilities as listed above requires a whole range of products to be seemlessly linked together. Much R&D effort in the past couple of years has been concentrated on this topic and is now a key area for publishers to consider if they wish to provide a first class service for their customers.

Print on paper is being threatened by new media. Audio tape has been around for a long time. CD-ROMs and multi-media are now in the ascendancy. The processes involved in selling and fulfilling orders for these products are very different to those needed for the more traditional product.

A study is currently underway which is looking at the impact of growth of these types of products on the publishing industry as a whole, and as a consequence on the systems that support that industry. The results of the study are expected in the next few weeks. Meanwhile some of the issues that are being addressed include:

- more than one product being included on a single CD-ROM. How is each product to be sold? How is access to be given to each product? How will the request for access to other products on the same CD-ROM be handled?
- Some CD-ROM products are very expensive. Leasing is being considered. What are the financial implications of leasing? How are CD-ROMs to be retrieved at the end of the lease? What happens if they are not returned?
- Updating. In areas such as law, medicine and tax, information is traditionally updated regularly, sometimes very regularly. How is this to be achieved with CD-ROM products?
- What will be the effect of CD-ROM products on the printed product?
- Networked CD-ROMs. Some users will want to load the CD-ROMs onto a network giving many people simultaneous access to information only physically purchased once. What will be sensible pricing mechanisms for this? How will use be monitored, if at all?

There will also be issues surrounding publishing across networks. Whole new systems are likely to be needed to take the order, set up necessary access codes, set up the billing process and actually monitor and calculate the bill.

The Internet is becoming much talked and written about and a number of schemes are already working over the Internet. Many are still in the pilot or experimental stage and are not supported by fully functional systems that can provide publishers with the sort of detailed analysis they currently use to manage their businesses. Developments in this area therefore have to be watched most carefully if publishers and customers alike are not to lose out.

Many of the features discussed above are customer facing - aimed at giving better service to the customer. Information delivery is more inward looking. Here the intention is to make it very simple for senior managers to rapidly view the key figures that are driving their businesses. It also allows the analysts to cut the business every which way to better understand what is going on.

Typically this is achieved by putting easy to use, graphical Executive Information Tools on top of a data repository. One pilot scheme currently

underway, takes subscription sales and allows them to be viewed by: geographical region, agent, journal and subject group and shows value and quantity for this year and last. The front end tool is easy to use and enables the data to very readily be "sliced and diced" in many different ways. Where greater flexibility of data access is required interfaces have been developed between core business data and the popular PC based tools such as Lotus 1-2-3, Microsoft Excel and Microsoft ACCESS. Core data can then be downloaded into the PC programs to allow modeling and so on.

Traditional computing platforms are now giving way to more open architectures. For example, software which has traditionally run on DEC VAX hardware, will soon be running live on a SUN UNIX platform. This is partly in answer to demands from customers and partly in the belief that platform independence will rapidly become an essential part of any software product.

The majority of the changes and developments described above clearly demonstrate the focus on customer service being made by publishers. However, such topics as the management of new media and the Internet are for the future - not yet fully in the domain of the subscriber, while the delivery of information to the desktop is the way in which managers can know how well or otherwise their business is doing and react accordingly, if necessary by giving customers what they want. Since, without subscribers, journals wouldn't exist, then the conclusion has to be - the subscriber rules the day.