

THE UK perspective: the JISC Business Models report

Hugh Look
Senior Consultant
Rightscom Ltd

Authors and advisors

▶ Authors

- ▶ Hugh Look, Rightscom
- ▶ Sue Sparks, Rightscom
- ▶ Helen Henderson, Information Power

▶ Expert panel

- ▶ Prof Charles Oppenheim, Loughborough University
- ▶ Jill Taylor-Roe, University of Newcastle
- ▶ Maurice Long, former publisher & consultant

Overview of the project

- ▶ Understand & analyse libraries' concerns about business models
- ▶ Analyse strengths & weaknesses of business models
 - ▶ New models as well as current models
 - ▶ Open access became even more prominent as an issue as the study progressed
 - ▶ Strong interest in repositories emerged
- ▶ Identify "new" models that might solve some problems

Output for JISC

- ▶ Basis for decisions & action
- ▶ Full understanding of what librarians & researchers want
- ▶ Understanding of publisher attitudes to different business models
- ▶ Analysis of what needs to be done to reconcile user & publisher needs

Process highlights

- ▶ Scenarios to stimulate discussion in interviews
- ▶ Interviewing combines structure & open-ended to elicit *all* factors driving preferences
 - ▶ Significant proportion of interviews face-to-face
- ▶ Significant leverage from modelling tools already developed
- ▶ Publisher interviews

Interview structure (both sets)

- ▶ Current situation
 - ▶ Most important drivers
 - ▶ Usage of e-journals
 - ▶ Reaction to current business models
 - ▶ Other models in use (e.g. for A&I services)
 - ▶ Budgeting & planning
- ▶ In future
 - ▶ Most important drivers
 - ▶ Needs of user communities
 - ▶ Other applicable models
- ▶ Response to scenarios
- ▶ Open-ended discussion

"Political" response to the project

- ▶ High level of interest
- ▶ Offers of "help" from several publishers
- ▶ Assumption that we were only considering open access models

The report

- ▶ The headlines
- ▶ Library requirements
- ▶ Publisher requirements
- ▶ The models
- ▶ Trialling
- ▶ Issues

The headlines

- ▶ 7 models developed
- ▶ No single model suits all circumstances
- ▶ No model is going to solve a shortfall in funding and preserve publishers' revenues
- ▶ Subscription models are acceptable to libraries and publishers
- ▶ Current instantiations nevertheless create significant difficulties for libraries
- ▶ Big deals can be good value for money
- ▶ Big deals can squeeze out needed journals
- ▶ They are open to other models, including pay-per-view
- ▶ Terms and conditions are important, not just price

Library requirements

▶ Who we spoke to

▶ HEIs

- > Keele University; University of Warwick; University of Hertfordshire; Open University; Birkbeck College; University of East Anglia; Oxford University (OULS); University of Strathclyde; University College London; Kingston University; University of Nottingham; Oxford Brookes University; Sheffield University; London School of Economics; Edinburgh University; University of Birmingham; University of Leeds; City University; University of Bristol; University of Westminster

▶ FEIs

- > St Helens College; Hammersmith and West London College

Libraries' views

- ▶ Models that encourage rather than restrict use
- ▶ Value for money
 - ▶ Need better usage data to assess VfM accurately
- ▶ Flexibility
 - ▶ Circumstances changing rapidly
- ▶ Access for a wide range of people
- ▶ Predictable costs
- ▶ Deals that can be monitored easily

Libraries' views

- ▶ Some would prefer to give up print
- ▶ Accept variable payments for secondary databases
- ▶ VAT still a problem for e-only content

Differences between type of library

- ▶ Large Russell Group STM-heavy HEIs
 - ▶ many of the bundled titles aren't necessarily the right ones for their communities and a long tail of titles aren't used
 - ▶ the share of the deals in the total budget is squeezing out other purchases (journals from smaller publishers, monographs) and some subject areas are losing out
 - ▶ heavy cancellation penalties, making it difficult to adjust the collections as research interests change
 - ▶ the overall cost of some of the packages is rising faster than is affordable
 - ▶ it is difficult to explain to readers why some titles they don't need are available and those they do want can't be purchased

Differences between type of library

- ▶ More social science and business-focused Russell Group
 - ▶ seem happier with the status quo
 - ▶ fewer problems with overall budgets,
 - > for reasons which differ in the case of the different institutions.
 - ▶ However, they are still concerned about future price rises.
- ▶ Post-92 universities
 - ▶ enthusiastic about the Big Deal - it has delivered a major increase in the resources available to their users at a very reasonable cost
 - ▶ overall cost and continued affordability are issues for them

Differences between type of library

- ▶ Old non-Russell Group universities
 - ▶ have to focus on a narrower set of research priorities in response to the concentration of funding
 - ▶ need to be able to adjust journal collections in a more focused way
 - ▶ needs could be summed up as “unrestricted access to a restricted set of materials; restricted access to the rest”
- ▶ Institutions with a high proportion of distance or part time students
 - ▶ many concerns in common with HEIs generally, but licensing terms were probably more important
 - ▶ have highly-rated research, but the libraries felt most strongly about student provision

Differences between type of library

▶ FEs

- ▶ make more use of Eduserv Chest deals for databases than of JISC e-journal deals
- ▶ where they do degree-level work in partnership with an HE, the students will normally get access to the HE's library resources
- ▶ FEs have needs which are often very specific and can frequently be more in the area of business-to-business than journal publishing

Publishers' views

- ▶ Who we spoke to
 - ▶ ALPSP; American Chemical Society; British Medical Journal; BioMed Central; Blackwell; Cambridge Scientific Abstracts; Elsevier; Emerald; Institute of Mechanical Engineers; ISI; Oxford University Press; Royal Society of Chemistry; Sage; Science; Sparc; Springer; Taylor & Francis; PLoS

Publishers' views

- ▶ No correlation between type/size of publisher & attitude
- ▶ General desire to believe the market is still growing
- ▶ Would like to give up print - but believe that libraries are holding on
- ▶ Neutral on author-pays open access
- ▶ Heavy investment justifies price increases
- ▶ Many also need predictability, especially of cashflow

Publisher requirements

- ▶ Do not want to restrict usage
- ▶ Want to see relationship between usage & price
 - > Variety among banding structures
- ▶ Diverging views on national licence models

The models

- ▶ National licence
- ▶ PPV converting to subscription
- ▶ PPV pre-purchase
- ▶ Core + peripheral
- ▶ Open access - author pays
- ▶ Open access - hybrid
- ▶ Sponsored content
- ▶ More than one model can be used
 - ▶ Modelling the interactions would be important – but may be very difficult

National Licence

- ▶ A single national payment to publishers for limited access to all their content
- ▶ Includes access to the current years and the backfile for at least several years
- ▶ Access to all would end on termination of the national licence.
- ▶ Individual institutions would be able to pay for additional services or access at their own discretion: for example, for access to content once the national licence has ended, or print as well as e-access.

National licence

▶ Advantages

- ▶ Maximum discounts & benefits for all institutions
- ▶ Access and usage

▶ Disadvantages

- ▶ No market-share challenge to publishers
- ▶ Complex & difficult to negotiate in year 1
- ▶ Lock in effect uncomfortable for both sides?

PPV converting to subscription

- ▶ Institution may have subscriptions to publishers titles, but uses pay-per-view to access other titles on an ad-hoc basis
- ▶ Usage is based on a per download cost with a threshold at which sufficient usage has been made to convert to a subscription
- ▶ Publisher would be able to set this at a premium above the standard subscription (which might be set at 115% of the upfront subscription for example) in order to reflect increased uncertainty.

PPV converting to subscription

▶ Advantages

- ▶ Minimises risk for libraries, especially with high-priced titles

▶ Disadvantages

- ▶ Complex to set up and monitor
- ▶ May be unattractive to publishers as could lead to minimised revenues
- ▶ Only a short term strategy as all highly used titles migrate

Pay per View - Pre-purchase

- ▶ Buy blocks of significantly discounted PDF downloads..
- ▶ Variables:
 - ▶ list price per PDF
 - ▶ number of PDF downloads
 - ▶ size of blocks
 - ▶ discount on the base price (for the block)
- ▶ Where usage has been more than a block, remaining usage is calculated at the non-discounted PPV price.
- ▶ Blocks may be bought from time to time during the year.

Pay per View - Pre-purchase

▶ Advantages

- ▶ Lower prices for PPV
- ▶ Useful for journals where subscription too high in relation to usage

▶ Disadvantages

- ▶ Unattractive to libraries as unpredictable
- ▶ May be hard to estimate usage levels in advance

Core + peripheral

- ▶ Publisher offers a set of 'Collections' which include all their titles in a specific discipline. They then provide access to non-subscribed material (the rest of their titles) on a pay per view basis.
- ▶ Model could also apply to an institution's own selection of core journals. In both cases, only the core journals provide printed copies and archive access

Core + peripheral

▶ Advantages

- ▶ Addresses some “big deal” problems
- ▶ Reflects usage patterns
- ▶ Preserves subscription model

▶ Disadvantages

- ▶ Inappropriate selection of core content
- ▶ Publishers will not get as much cash up front as in the past
- ▶ Too much library control over title selection in each collection could add to publishers' administration costs, but too little control will undermine the attractiveness of the model to libraries

Open Access – author pays

- ▶ Open Access model based on payments by the author on publication.
- ▶ Optionally, the institution may also pay a subscription: in this case, payment by any author at that institution will be discounted

Open Access – author pays

▶ Advantages

- ▶ Reduction in subscription costs
- ▶ Access to all

▶ Disadvantages

- ▶ Will cost some universities more than their traditional subscriptions
- ▶ Unproved as long-term business model
- ▶ Less interesting for humanities and social sciences

Open Access – hybrid model

- ▶ Author can choose
 - ▶ pay for publication, and make the article immediate open access,
 - ▶ not pay and have the article available only to subscribers

Open Access – hybrid model

▶ Advantages

- ▶ Reduction in subscription costs
- ▶ Access to all for some articles

▶ Disadvantages

- ▶ Unproven as long-term business model
- ▶ Complexity of article access (some open, some not)

Sponsored article view or day-pass

- ▶ User wanting to look at an article in unsubscribed content is offered options:
 - ▶ pay the standard download charge
 - ▶ view a short animated advertisement instead

Sponsored article view or day-pass

▶ Advantages

- ▶ Sponsorship relationship with users, rather than publication
- ▶ Viable business model

▶ Disadvantages

- ▶ Adverse reaction to sponsorship of educational or research materials
- ▶ Lack of potential sponsors

Most popular models for trial

- ▶ Core + peripheral
- ▶ PPV converting to subscription
- ▶ National licence

Conclusions

- ▶ No business model will reconcile library needs to control costs with publishers' needs to maintain or increase revenues
- ▶ Changed commercial business models do help find a middle ground
- ▶ Models that encourage usage generally popular with publishers & librarians
- ▶ Transitions rather than solutions?
- ▶ Author-pays open access remains unproven

Where to find the full report

http://www.jisc.ac.uk/coll_jiscejournals_jwgs.html

(follow the link to "Journal Business Models Study")

Thank you

Hugh Look

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