

# Open Reader Access: a better business model?

A view from the *STM*-Association

# About the *STM*-Association

- “*STM*” = International Association of Scientific, Technical & Medical Publishers
- ~ 100 members, both “for-profit” and “not-for profit” (approx. 55:45), large and small
- Secretariat in The Hague (The Netherlands); will move to London, UK in 2005
- AAA, ACS, AIP, AMA as well as Elsevier, Springer, Wiley are members

# General Principles

- *STM* is business model neutral:
  - \* author pays or reader pays, both or...??
  - \* both for-profit and not-for-profit
  - \* both types of *STM* members experiment with author pays (e.g. Springer, AIP, OUP)
  - \* *STM* does not recognise a priori superiority of one model over another, moral or otherwise

# Business Model requirements

- The chosen business model should be:
  - a. (financially) sustainable
  - b. provide long term continuity
- Income should be generated by adding value for customer
- Ideally business model shows ‘cause & effect’, i.e. the customer enjoys added value for sacrifices

# (Financial) sustainability

- In principle, the operation should be financially independent and not directly and principally rely on (government) subsidies.
- It should generate enough surplus/profit to
  - a. innovate
  - b. attract investment and/or have reliable access to investment funds
  - c. attract the best people

# Long term continuity

- “Digital is different”:  
It requires different characteristics from business model employed: it is no longer only selling a (physical) product, it requires sustainable service after ‘first sale’
- Examples: digital (retro) archiving and (technological) updates, linking, novel (inter-platform) search services etc..

# Added value

- Three types of customers: authors, readers and librarians (& Funding Agencies?)
- Author: Brand (prestige), prioritisation, production & distribution (p+e), marketing
- Reader: Brand (profile & quality filter), linking, continued (searchable) availability, (e-)archiving
- Library: collection management, (interoperable) database, usage information

# Who pays?

- In principle it is logical that all customers pay in accordance with (in proportion to?) value delivered
- Thus: more prestige -> more value -> more pay?  
May be contravening other 'code of practice'  
(mixing of scientific & economic criteria)
- In any event: it is not inherently illogical that authors pay nor is it illogical that readers pay.
- Both?

# Added value for Author

- “VIP” (Visibility, Impact, Prestige) through reputation of the journal: branding
- Validation & Registration
- Priority
- Distribution & continued “R&A” (‘retrievability’ & accessibility)
- Permanence : ‘Minutes of Science’

# Types of Open Access

- 1. Author (institute) pays
- 2. Self-archiving
- Type 1 = business (or value) model
- Type 2 = symbiotic: presupposes current business model; mutualistic or antagonistic (parasitic)?

# Critique of “Only Author Pays” Model

- Digital Cost =  $f(t)$ : cost for continued availability and access is not paid for; in print era this cost is borne by library
- If receiver does not pay, this cost is not covered: OK if # articles is steady or grows
- Who pays for 2005 article in 2015? Akin to Social Security problem: current generation pays for future (improvements in) access

# Added value for Reader

- Value pre-selection through branding (peer review: quality and reliability filter)
- Instant access to historical and conceptual (scientific) context through linking, cross platform searching, retro-digitisation, etc.
- 7\*24\*365(6) access from preferred location
- No question that reader has benefited most from internet publishing

# Critique of “Only Reader Pays” Model

- Subscription model inadequate, does not allow for “fractional demand”
- Consortium license model is a significant improvement but still leaves potential readers deprived, in addition to being based on increasingly meaningless historical costs.
- Current licensing model is not user/usage based
- Economically speaking OK: ongoing costs are covered by ongoing revenues

# Mixed mode experiences

- Common practice among US society publishers (tax exempt): page charges and low library subscription charges & marginal cost based membership charges (e.g. AIP, APS)
- Result: relatively large (print) circulations, contributing to prestige & impact
- Drawback: author charges unpopular (especially to non-US authors) => loss of important papers
- All but abandoned: subscription only. Prestige remained => more non-US authors

# How morally right is Open Access?

- “Tax payer is entitled to ...” argument:
  - Tax payer has not paid for value added to either reader or author. De facto recognised in both business models
  - Should all discoveries funded by public purse be in public domain? No patent income for universities and no individual benefiting beyond salaries?!

# How sustainable is “Author Pays?”

- AIP’s and IOPP’s experience (> 7 years): journals editorially successful, at current charge levels not independently sustainable
- BMJ: ditto; OA experiment is losing proposition
- From published information, PLoS and BMC do not fare much better
- Springer’s “Open Choice” at realistic(?) levels (let market decide philosophy): few takers so far

# “Author Pays”: conclusions

- Barriers of entry are considerable (PLoS, BMC)
- Not a matter of principle: one of practicality
- Neither operating costs nor investments covered
- Long term instability: future costs unknown, so are future revenue streams
- Switching costs (inertia): if fully adopted, requires considerable re-channelling of funding (\$5-10B?)
- If model does not work as advertised, bad service to science

# Type 2 OA: self-archiving, IR's

- Symbiosis: mutualism or parasitism? – if the latter, an “operation successful, patient died” case?
- Most *STM* members expressed willingness to experiment (“green” in Harnad parlance)
- Experience with HEP preprint database seems to be ‘benign’ so far (for APS and IOPP at least)
- So, what’s the worry? See next slide. Note: HEP has strong tradition of preprints.
- NIH (800 pounds gorilla) mandate: access to value added (not paid for) material (11% of total)

“Might you be willing to pay for it?”

- “Our budget is flat since years and for sure I’m not willingly to pay anything if I could get it for free (and my boss would certainly crucify me if I do)”

Oliver Obst, PhD

Head Medical Library

Muenster, Germany

# Type 2 OA: conclusions

- Potentially self-destructive, especially with Google Scholar type of developments
- Based on marginal cost analysis: proponents are not necessarily experienced in running (larger) organisations, for – or not- or-profit
- Large scale government market intervention undesirable (very un-American?): it biases in favour of a particular business model

# Alternatives

- Since 1996 many-fold increase in access through licensing + COUNTER for better decision making + CrossRef for linking & searching
- For developing countries: HINARI and AGORA, works NOW, not some time in future
- Current system not designed for public access: Patient-Inform is better service (~100% of relevant world literature)
- Could we have a succinct formulation of the problem(s) to be solved?

# Fundamental questions & values

- Are we inhibiting the research worker and/or concerned citizen, and if so, how? How can we further facilitate the research worker?
- Needed: optimal balance between social responsibility and letting market develop in its own way. Ultimate question: Have we improved the quality of science?

# General Conclusions

- System has been improved significantly since introduction of Web publishing & continue to do so
- Both types of OA have drawbacks, possibly fatal; *STM* wishes them well, though!
- Let market decide which model is best within social responsibility constraints!