



Scholarly Publishing & Academic Resources Coalition  
*An initiative of the Association of Research Libraries*

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# Market Remedies: The Role of Open Access Publishing

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## Today's market

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- Poor price signaling
  - Library pays, but...
  - ...author benefits.
- Publisher monopoly of must-have content
  - Author transfers copyright (or exclusive license) to publisher...
  - ...whose core incentive is (generally) to maximize financial return, not access.

***Result: high prices, suboptimal dissemination***



## What is “Open Access”?

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- Immediate free availability on the public Internet
- Research literature that scholars produce without expectation of payment (e.g., journal articles)
- Recognizes that the value of research increases with use (public good)
- Exploits economics of Internet – low marginal cost of dissemination
- An *access* model, not a *business* model



# What is “Open Access”?

Two main approaches:

- **Open-access archives** – publicly available digital repositories, exist alongside traditional publishing.  
*e.g., PubMed Central, arXiv.org, institutional repositories*
- **Open-access journals** – require alternative business models to replace subscription-based models.  
*e.g., Public Library of Science and BioMed Central journals plus nearly 1500 other titles listed in Directory of Open Access Journals ([www.doaj.org](http://www.doaj.org))*



# Revenue inputs

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## Self-generated income

### Input fees

- Author submission/publication charges or article processing fees
- Off-print sales

### Affinity relationships

- Advertising
- Sponsorships
- Co-hosting of conferences and exhibits

### Alternative distributors

- Convenience-format licenses or distributor format fee

### Related products & services

- Journal publication in off-line media (print or CD-ROM)
- Value-added fee-based services

## Electronic marketplace

- Contextual e-commerce
  - Community marketplace
- 

## Subsidies

### Internal subsidies

- Dues surcharge

### Grants and contributions

- Foundation grants
- Institutional subsidies
- Government grants
- Gifts and fundraising
- Voluntary contributors
- In-kind contributions

## Partnerships



# Market experimentation

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Address: <http://www.doaj.org/> go

## DOAJ DIRECTORY OF OPEN ACCESS JOURNALS

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**For journal owners**

Welcome to the Directory of Open Access Journals. This service covers free, full text, quality controlled scientific and scholarly journals. We aim to cover all subjects and languages. There are now **1440** journals in the directory. Currently **351** journals are searchable at article level. As of today **63064** articles are included in the DOAJ service.

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DOAJ - Directory of Open Access Journals, 2004, [Lund University Libraries](#), Head Office

Internet zone

www.doaj.org



# Example – anonymous society

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## Production costs

### *Subscription journal\**

Composition	\$	102,000
Author Alterations	\$	11,600
XML Conversion	\$	20,000
PDF creation	\$	3,600
Archiving	\$	1,300
Staff	\$	339,500
Overhead	\$	252,200
Total	\$	<u>730,200</u>

**Cost/article: \$2655**

### *Open-access journal*

Platform dev't	5,000
PDF creation	3,600
Archiving	1,300
Staff	104,000
Overhead	<u>92,400</u>
Total	<u>206,300</u>

**Cost/article: \$264**

\*Excludes printing & fulfillment cost



# Functions of scholarly publication

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**REGISTRATION**  
of intellectual  
priority

**CERTIFICATION**  
of quality/validity  
of research

**ARTICLE**

**AWARENESS**  
of new research  
by potential users

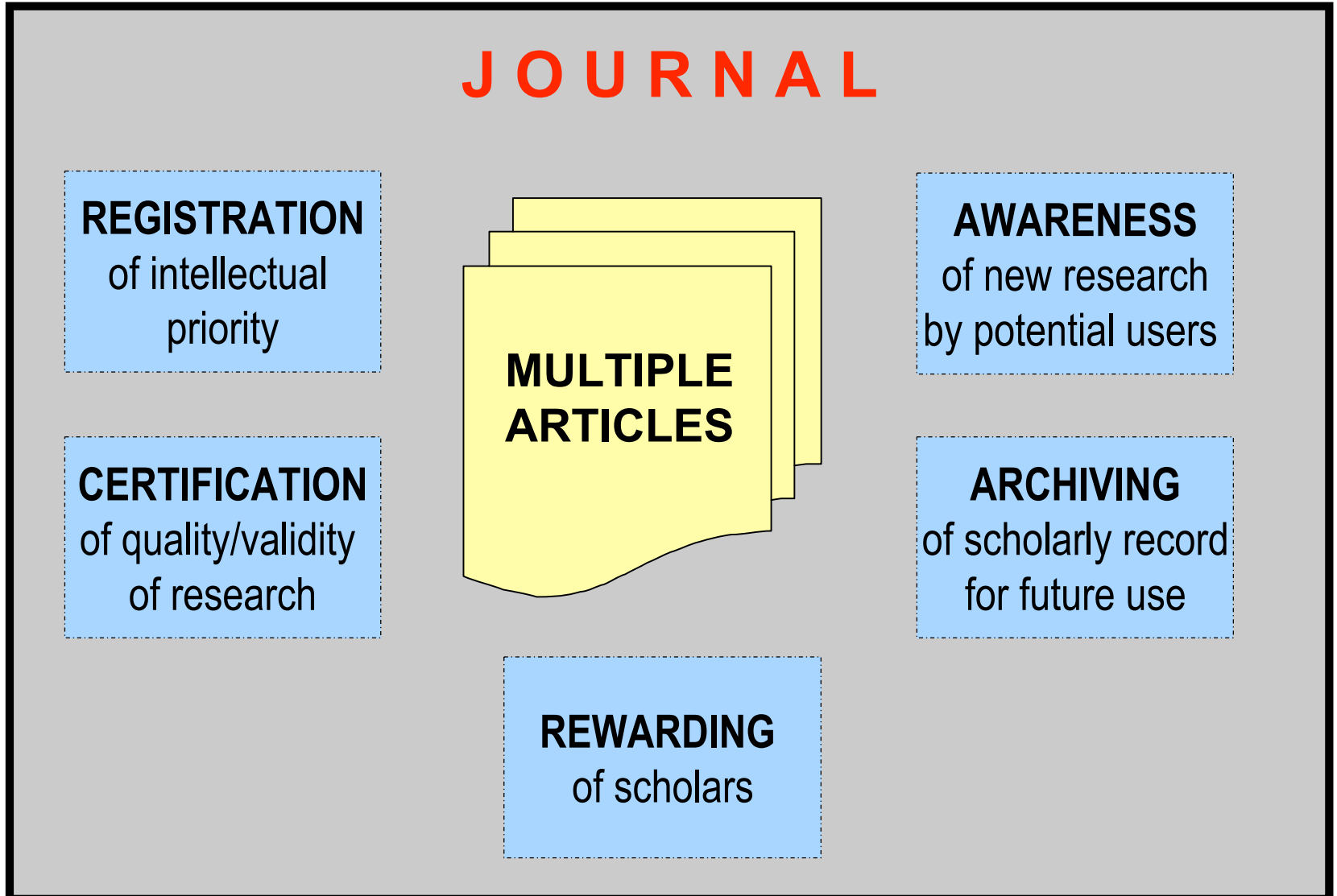
**ARCHIVING**  
of scholarly record  
for future use

**REWARDING**  
of scholars



# Bundling of functions

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# Value chain

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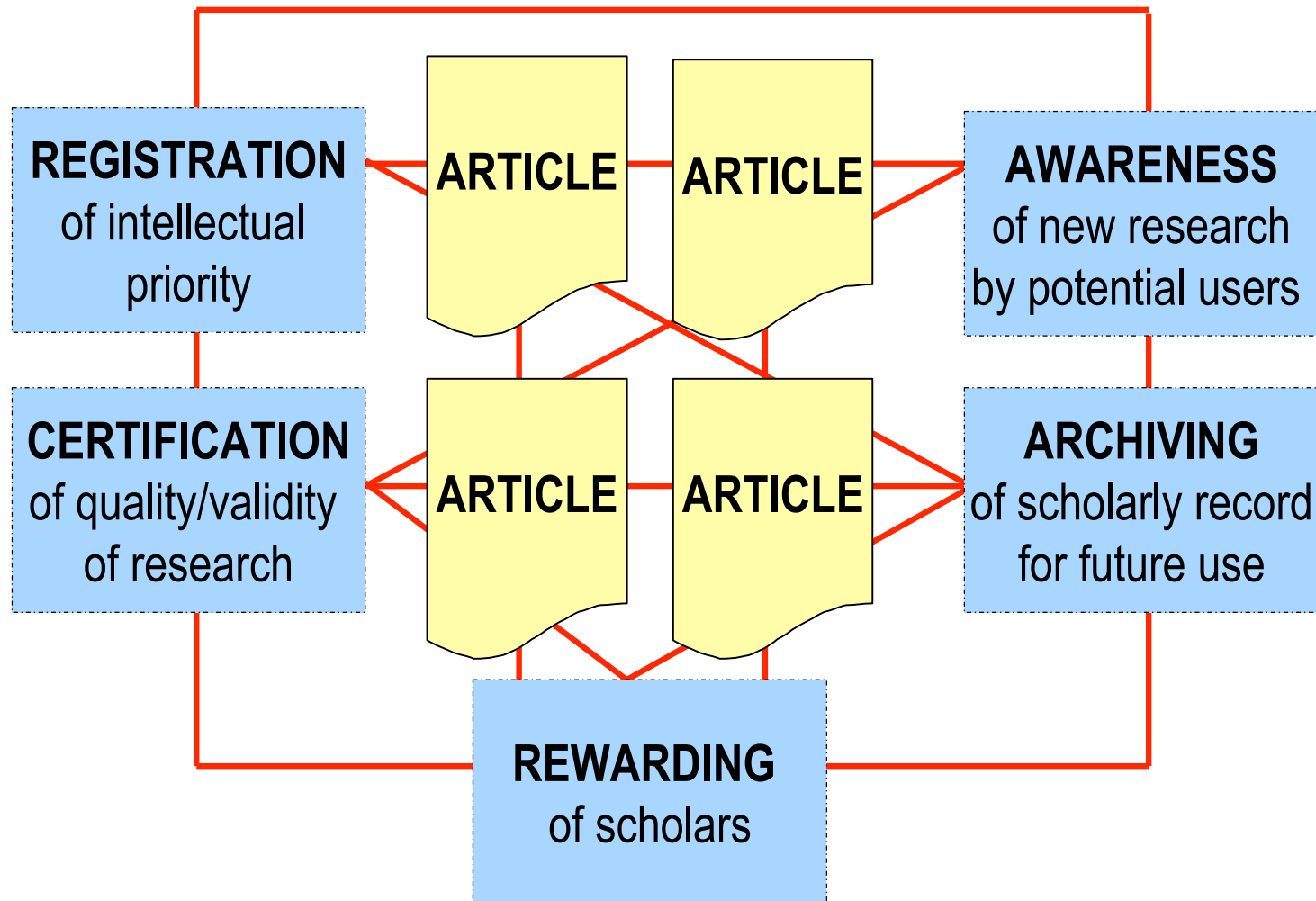
Cost efficiencies achieved in any link in value chain are not passed along to subscribers as price reductions.



# Unbundling of functions

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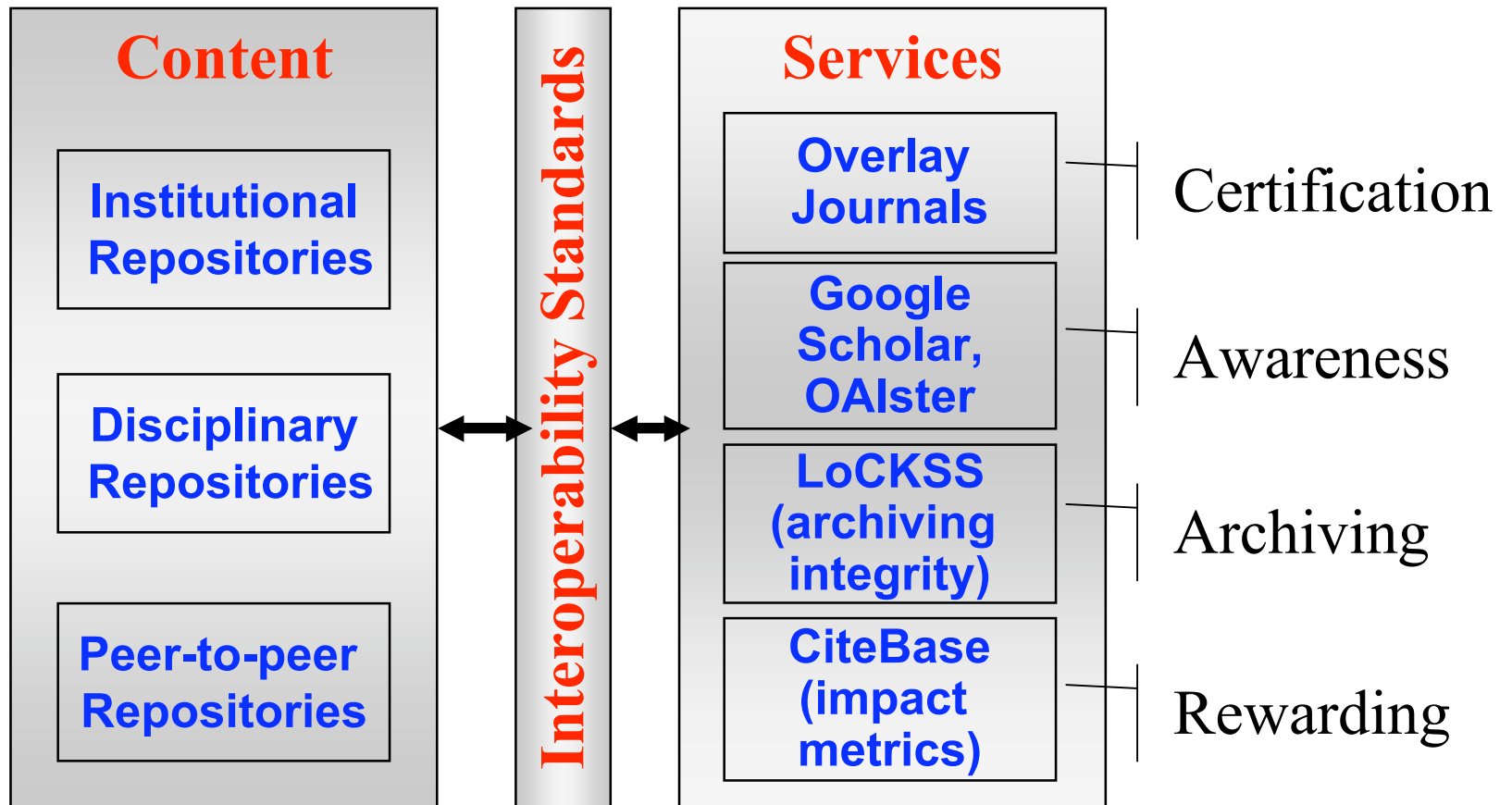
## DECONSTRUCTED JOURNAL





# How the pieces work together

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# What open access can achieve

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- Remove barriers designed to make content scarce.
- Weaken the position of publishers that use their monopoly position to support excessively high prices.
- Eliminate systemic inefficiencies by unbundling functions.
- Introduce price competition.
- Focus economic return on value addition (rather than content control).
- Expand information usage and application.



# Context for change

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Societal benefits



Market forces