

# The Cost-Profiles of Alternative Approaches to Journal-Publishing

**Roger Clarke**

Xamax Consultancy Pty Ltd, Canberra

Visiting Fellow, Dept of Computer Science, ANU

Visiting Professor in eCommerce, Uni. of Hong Kong

Visiting Professor in Cyberspace Law & Policy, U.N.S.W.

<http://www.anu.edu.au/people/Roger.Clarke/EC/JP-CP.ppt>

**29 April 2005**

## My Background

- Commerce (Info Sys)
- 25 yrs in business and consultancy
- 10 yrs as an academic, + 10 yrs 'just visiting'
- Edited Volumes and Journal Special Issues
- On Editorial Boards
- Never a Jnl Editor, and admire people who are

## My Orientation

- Originally software development projects for commercial and admin applications
- Since the mid-1980s, strategy and policy aspects of Information Infrastructure and eBusiness, ePublishing
- A self-employed consultant supporting a 3m hits p.a. web-site

## In-Scope

- Publishing
  - p-...
  - e-...
- Refereed Journals
- Open Access
- Not-Open Access

## Out-of-Scope

- Publishing:
  - Monographs
  - Other Serials
- Research Production
- Research Consumption
- Intermediaries' Business
  - Libraries, Collection

# Journal-Publishing Cost-Profiles

## Agenda

1. Open Access ... means what?
2. Categories of Journal Publisher
3. A Cost-Profile Model
4. Sample Cost-Profiles
5. Some Inferences

Some Conclusions

Challenges to For-Profit Publishers

# Open Access

- **Online Access**
- **Without:**
  - **Financial Barriers**

“without charge to readers or libraries”  
BUT assuming Infrastructure i.e. no ‘digital/divide’
  - **Permission Barriers**
    - the need to pre-register
    - the need to be a member of an organisation
    - the need to declare one's identity
    - legal constraints
    - technological protections

## Qualified OA

- Delayed OA
- Some, not all, e.g.:
  - Author-Paid
  - Editor-Selected
  - ...

## Extended OA

- Not just “access”
- But also:
  - "distribute"
  - "transmit"

Budapest'02 v. Berlin'03

# A Distraction

## ePrints / 'Self-Archival'

- Pre-publication of draft papers so that colleagues can access them
- Driven by Stevan Harnad

**Not OA, but An Adjacent Issue**

# Journal-Publisher Characteristics

- specific-purpose org; part of something bigger
- incorporated; business-unit; unincorporated
- a not-for-profit, associated with a community;  
an outsourced service provider; an entrepreneur
- one Journal; some Journals; many Journals
- cross-subsidised; self-funding;  
cross-subsidiser; for-profit
- little cash flow; small bus.; substantial business



# Categories of Journal-Publisher

- **Unincorporated Mutual**

An informal association of a modest number of people with a common interest

- **Not-For-Profit Association**

A formally constituted not-for-profit association of individuals, usually within a particular discipline, profession and/or geographical region

- **For-Profit Publisher**

A for-profit corporation, or a profit-oriented business unit of a not-for-profit association

# A Journal Cost-Profile Model

- Establishment
- Operations
  - Submission-Related
  - Article-Related
  - Issue-Related
  - Generic
- Infrastructure Maintenance
- Financial Aspects

# Cost-Elements within Operations

## Submission-Related

- Receipt, acknowledgement & management
- Assessment Process conduct & management

## Issue-Related

- Editorial
- Production-editing
- Production
- Protection
- Distribution

## Article-Related

- Production-editing
- Cataloguing

## Generic

- Marketing
- Customer relationship management
- Archive management
- Indexing
- Governance

# The Primary Factors That Affect Costs

- submission-load – number, communications intensity
- articles accepted and published
- size and ‘special features’ of accepted articles
- size of Issues, i.e. article-count and ‘page-count’
- frequency of Issues
- extent of the investment in brand image
- competitive virility
- emphasis on market-penetration, capture of revenue from consumers or intermediaries, content-protection and other measures to control leakage of revenue

# Sample Cost-Profiles

- **Unincorporated Mutual**
  - Hard-Copy Journal
  - Gratis eJournal
- **Association**
  - One Hard-Copy Journal
  - One eJournal
  - Five Journals
- **For-Profit Publisher**
  - Subscription-Based
  - Open Access

# 'The Answers'

- **Unincorporated Mutual**

- Subscription-Based Print • \$20,000 pa – \$1,000 per art.
- Gratis eJournal • Fully-Sponsored, hence 'Nil'

- **Association**

- One Print Journal • \$112,000 pa – \$3,750 per art.
- One eJournal • \$22,000 pa – \$730 per art.
- Five Journals – P or E • \$3,750 per art. or \$730 per art.

- **For-Profit Publisher**

- Subscription-Based Print • \$137,000 pa – \$4,600 per art.
- Subscription-Based eJnl • \$112,000 pa – \$3,700 per art.
- Open Access Print / eJnl • \$4,200 per art. or \$3,400 per art.

## Some Inferences

- Sponsorship by senior academics, and by their employers, is a large proportion of total costs
- eJournals can run long-term 'on the smell of an oil-rag'
- Associations with a few thousand members can carry a hard-copy journal; with a few hundred, an eJournal
- For-Profit Publishers have higher cost-profiles arising from additional functions that they perform
- For-Profit Publishers suffer a cost-disadvantage in the eJournal market of \$3,400 compared with \$730 per art.

## What Value-Add by For-Profits?

- Pre-production, production, distribution, and their management, are no longer hard
- There isn't just 1 'one-stop shop'; there are many
- The Web enables aggregation with ease
- The Web enables discovery with ease
- The Web enables auto-hotlinking generally, not just across a single publisher's holdings
- Exploitation of market power (entry barriers, switching costs, control of backlists, bundling) is not value-add



# Is the Higher Price Worth Paying?

- For-Profit Publishers' higher cost-profiles arise from these additional functions:
  - marketing
  - brand management
  - customer relationship management
  - content-protection
  - profit-making
- These do not benefit authors or communities (except where profit is shared with Assocns)

# The Cost-Profiles of Alternative Approaches to Journal-Publishing

**Roger Clarke**

Xamax Consultancy Pty Ltd, Canberra

Visiting Fellow, Dept of Computer Science, ANU

Visiting Professor in eCommerce, Uni. of Hong Kong

Visiting Professor in Cyberspace Law & Policy, U.N.S.W.

<http://www.anu.edu.au/people/Roger.Clarke/EC/JP-CP.ppt>

**29 April 2005**