

*Library Business Models:
Where Are We Headed and Who
Will Benefit?"*

Stephen Rhind-Tutt

President

Agenda

1. Some background
2. Beyond pricing – some new business models
3. Examples
 - Open Music Library
 - Anthropology Commons
4. Summary



1. Some Background

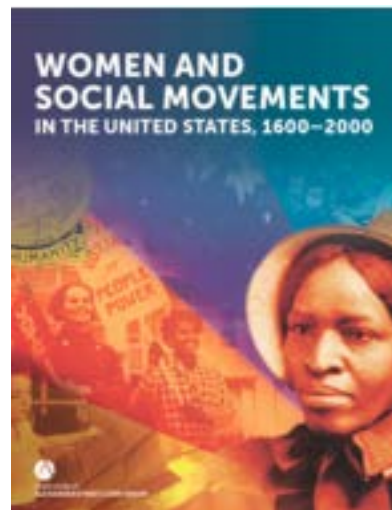
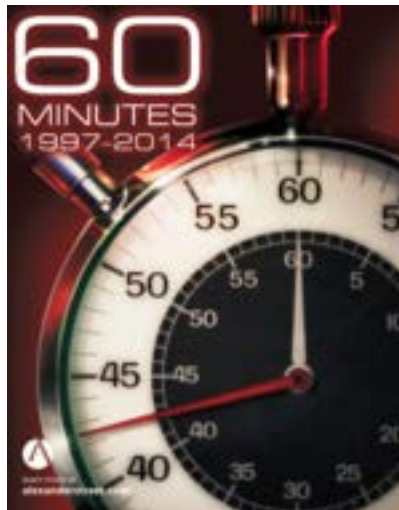
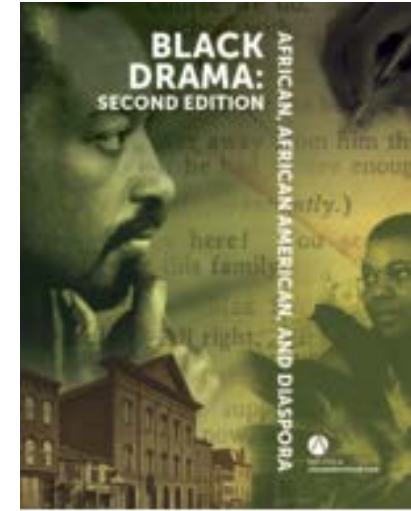
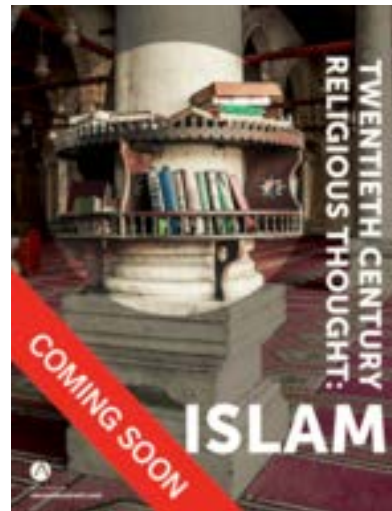


Some background on Alexander Street



- Publisher of primary sources, streaming video and music.
- 100 people - offices in the US, the UK, China and Australia
- Recognized by E-content magazine as one of 100 companies 'that matter most in the digital economy'

Some of our publications



2. Beyond pricing...new business models

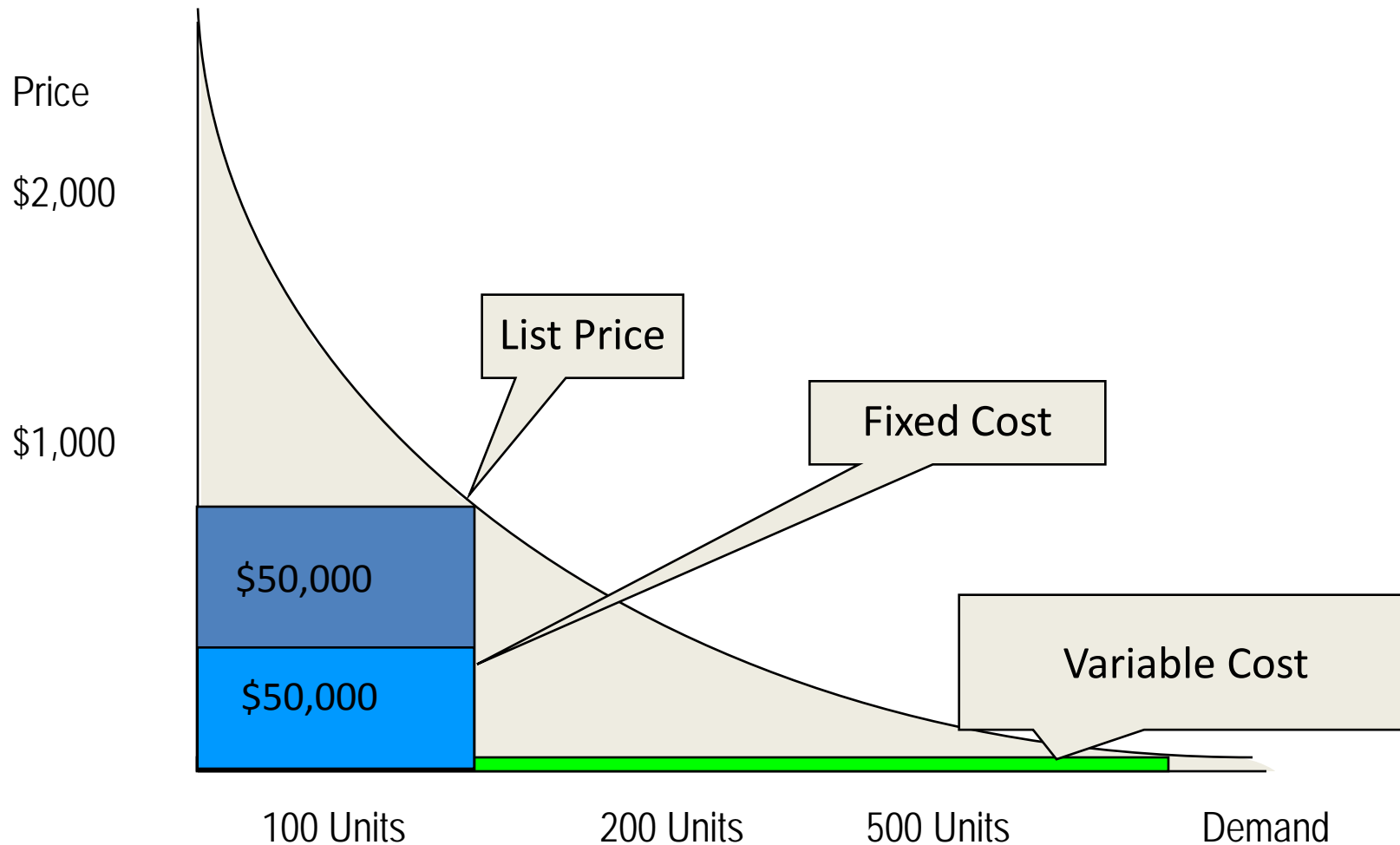


1996 – over 15,000 pricing models...

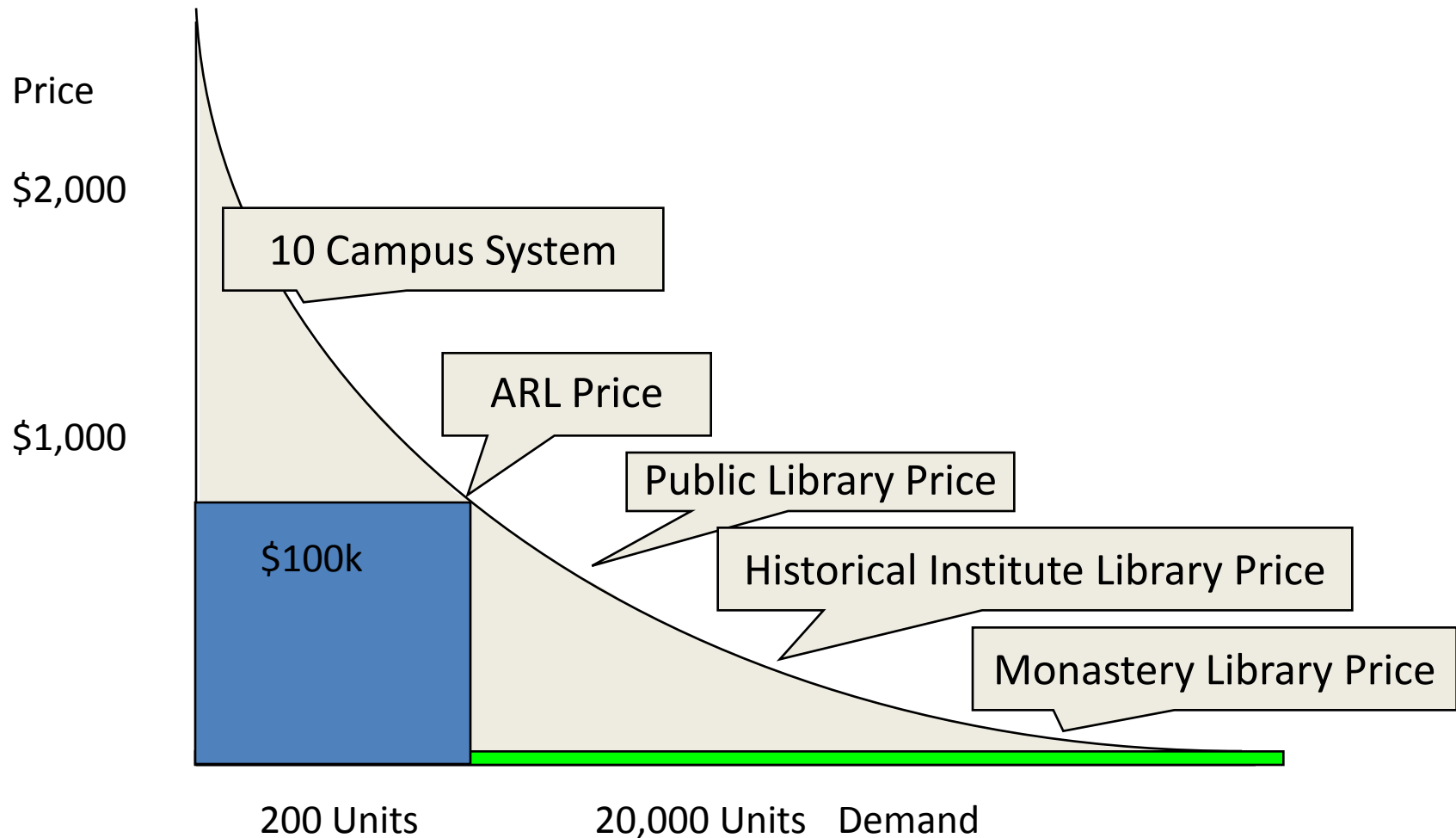
Factors can be combined to create thousands of models

- Subscribe or Own
- Pricing by FTE - *# of students*
- Pricing by book budget – *<\$100k*
- Pricing by simultaneous user – *Up to 2 simultaneous users*
- Pricing by session - *\$50 per session*
- Pricing by search - *\$0.50 per search*
- Pricing by connect time - *\$30 per hour*
- Pricing by number of records downloaded – *\$0.50 per record*
- Pricing by views of the database - *\$0.12 for abstract, \$1.00 for text*
- Pricing by estimated usage - *adjust after first year*
- Pricing by type of institution – *Corporate vs. High School*

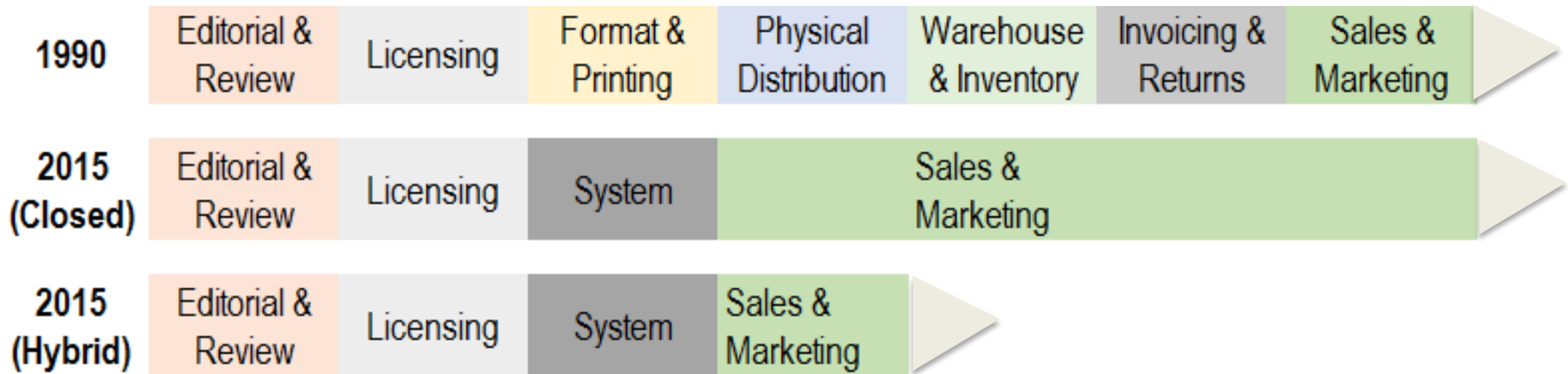
All trying to do the same thing...



...maximize revenue while giving best value



Changing publisher costs



- Much lower marketing & sales costs
- Lower costs also via crowdsourcing

Personal

- Collaboration tools
- Uploading, sharing
- Library analysis

Everyone uses it

- Open metadata and access
- Syndicated Partner Programs
- Trackbacks & Inbound links

Discipline Community

Create Local Value

Maximize Uptake

Increase Efficiency

Move to the Network

Build Web-Scale

Web Scale

- All content
- All academics
- All institutions
- All partners

Most efficient

- Reduce cost with volume
- APIs and 3rd party apps
- Licensor control panel

- Integrated web based processes
- Works with 3rd party workflows
- Licensor control panel

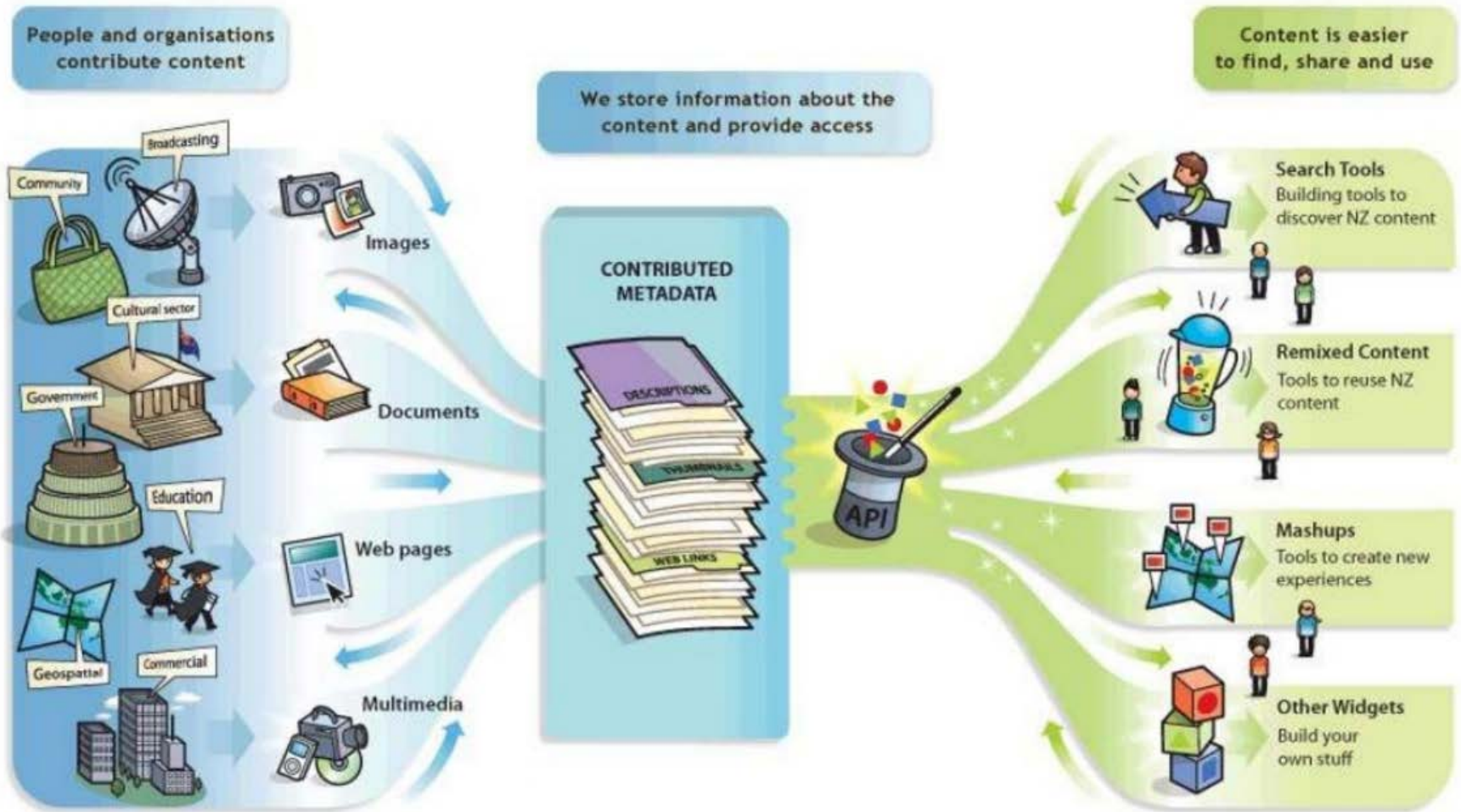
Open Business Models

1. #1 Build a community around your content.
2. Determine how you fit within the larger internet ecosystem and cultivate those connections.
3. Empower your community to create.

Rationale

- Not a plea for OA for philosophical reasons
- Fundamentally OA should be/can be a better business...
 - Faster growth
 - Better margins
 - Stronger competitive advantages
- Don't believe me?
 - OpenTable, Salesforce.com, Google etc....

Changes to value created...



How to make \$?



- Harness part of the usage and traffic to power the system
- Balance system to keep generating more
- Network effect will keep wheel spinning ever faster.

4. Examples from Alexander Street

Anthropology Commons
Open Music Library



The future is freemium

- Scholars need unified search and use experience
- Some content will always be for fee
- Some content will always be free to users



Anthropological Fieldwork Online

The Anthropology Commons



Archive OA initiatives



Government or Non-Profit Institutional Funding

- Limited by available funding
- Sustainability concerns in some cases



Sales Threshold Model

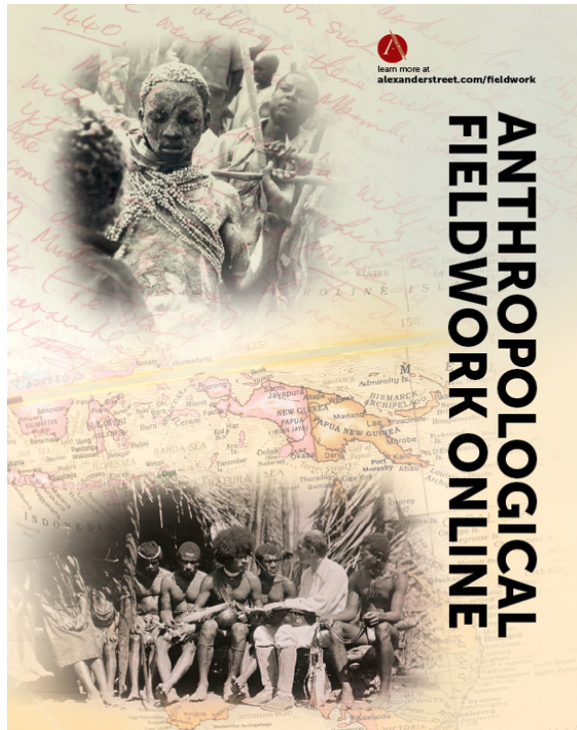
- OA is delayed indefinitely: *e.g. Reveal Digital*

What's

Simple, 'Fair', Sustainable, Expansive, Profitable?

Anthropological Fieldwork Online

The fieldwork underpinning the great ethnographies of the early 20th century into the digital world.



- 250,000 pages of archives
- Bronislaw Malinowski
- Margaret Mead
- Ruth Benedict
- Max Gluckman
- Victor Turner

Licensing Models

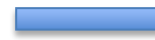
Royalty bearing

Archives that require/need to earn
A royalty.



Delayed OA

Seven years for fee, then material
goes OA.

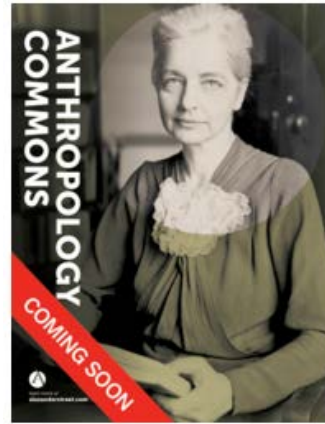


OA on
publication

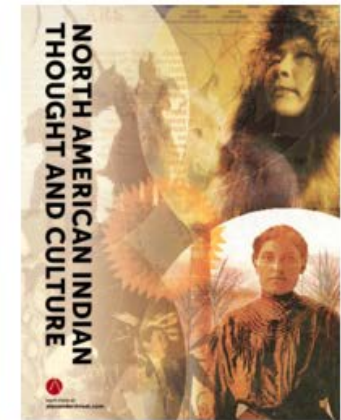
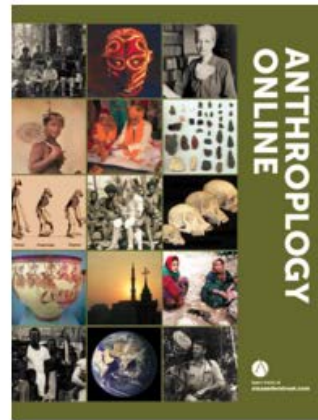
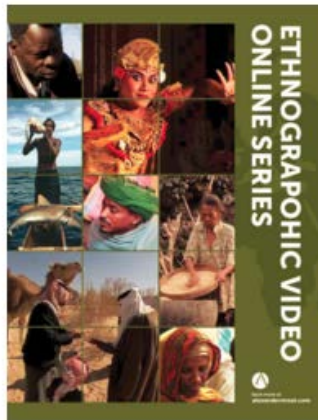
Archive requires OA to license



Business Model



- Free access is supported by sales of associated collections
- 10% of revenues of these products put towards the Commons.



Open Music Library

Dec 2016 Target

OPEN MUSIC LIBRARY

# of Records	Free	Pay
Journal Articles	25,088	300,000
Audio Tracks	34,560	9,521,429
Video Titles	30,000	3,500
Scores	350,000	61,000
Books	21,137	2,000
Ephemera	20,000	
Total	439,648	9,885,929

- An open network for **discovery** and **collaboration** in academic music.
- Combines free and paid content
- Modelled on PhilPapers

Open Music Library

- 6 National Libraries have contributed metadata - 200k scores, 70k people, 30k articles referenced so far
- Launched in March at the Music Library Association
- 1,500 users in first month
- 20% repeat visits



Gallica



POLONA/



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Open Music Library – business model

Alexander Street



Input: Investment, infrastructure

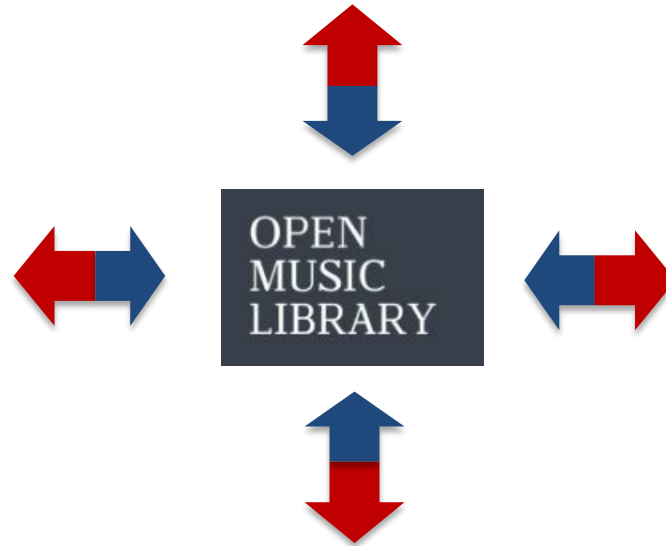
Receive: Usage, Royalties, Revenues, Analytics, Content



Librarians & Archives

Input: Content, links, usage,

Receive: Usage, for fee content, tools to upload, improve research



Rights Holders

Input: Content, records, links, usage

Receive: Usage, Revenues, Analytics

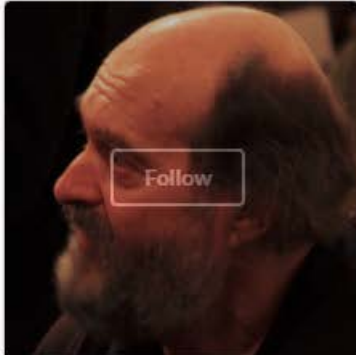


Faculty

Input: Content, Usage

Receive: Kudos, Usage, Collaboration tools to publish and do research

People



Arvo Pärt



Arnold Schoenberg



Henryk Górecki



Franz Liszt



Alejandro Caturla



Giacomo Puccini



Joseph Haydn



Franz Schubert

Search for *florence*

233 results

All Journals Articles Books **Scores****Adieu France song**

Miss Florence Getchell, (ohu) 1919



Al. Farnham et al.

A soldiers last farewell waltz song

Mrs. Florence Chambers, (xx) 1919



Florence Chambers



Click to view score

[Home](#) > [Scores](#) > [Library of Congress](#)**Adieu France Song**Al. Farnham
ContributorFlorence Getchell
Lyricist

Year	1919
Language	eng
Pages	4
Publisher	Miss Florence Getchell, (ohu)
Source	Library of Congress
Identifier	2013563193 (LOC)

[View Score](#)

Tags

popular music united states
songs and music 1911-1920
world war, 1914-1918

Summary

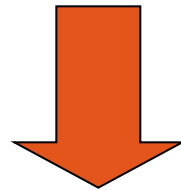


Summary

- Open business models are already widespread – newspapers, search engines, software, etc...
- Commercial adoption slowed by wish to protect revenues
- Faculty adoption slowed by adherence to print and traditional credentialing
- Library adoption evident in sites like DPLA, Europeana, Gallica etc...

Where we're headed

- It will all be available in digital form
- It will not cost too much
- Many more people will use it
- It will be enriched with new workflows and processes in ways we cannot imagine...



Good for publishers

Good for librarians

Good for "society"