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

- 10 Campus System
- ARL Price
- Public Library Price
- Historical Institute Library Price
- Monastery Library Price

Price

$2,000

$1,000

$100k

200 Units

20,000 Units

Demand
Changing publisher costs

- Much lower marketing & sales costs
- Lower costs also via crowdsourcing
Everyone uses it
- Open metadata and access
- Syndicated Partner Programs
- Trackbacks & Inbound links

Web Scale
- All content
- All academics
- All institutions
- All partners

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

Personal
- Collaboration tools
- Uploading, sharing
- Library analysis

Discipline

Community

- 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, Expansible, 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
• 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
Everyone uses it
- Open metadata and access
- Syndicated Partner Programs
- Trackbacks & Inbound links

Most efficient
- Reduce cost with volume
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Web Scale
- All content
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Discipline Community

Maximize Uptake

Create Local Value

Increase Efficiency

Move to the Network

Personal
- Collaboration tools
- Uploading, sharing
- Library analysis

Integrated web based processes
- Works with 3rd party workflows
- Licensor control panel
Open Music Library – business model

**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

**Alexander Street**
*Input:* Investment, infrastructure
*Receive:* Usage, Royalties, Revenues, Analytics, Content
Adieu France Song

Al Farnham
Composer
Florence Getchell
Arranger

Year: 1919
Language: eng
Pages: 4
Publisher: Miss Florence Getchell, (ohu)
Source: Library of Congress
Identifier: 2013562193 (LOC)
Summary
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- 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”