

JOURNALS MARKET & ALTERNATIVE PUBLISHING INITIATIVES

Presented by:

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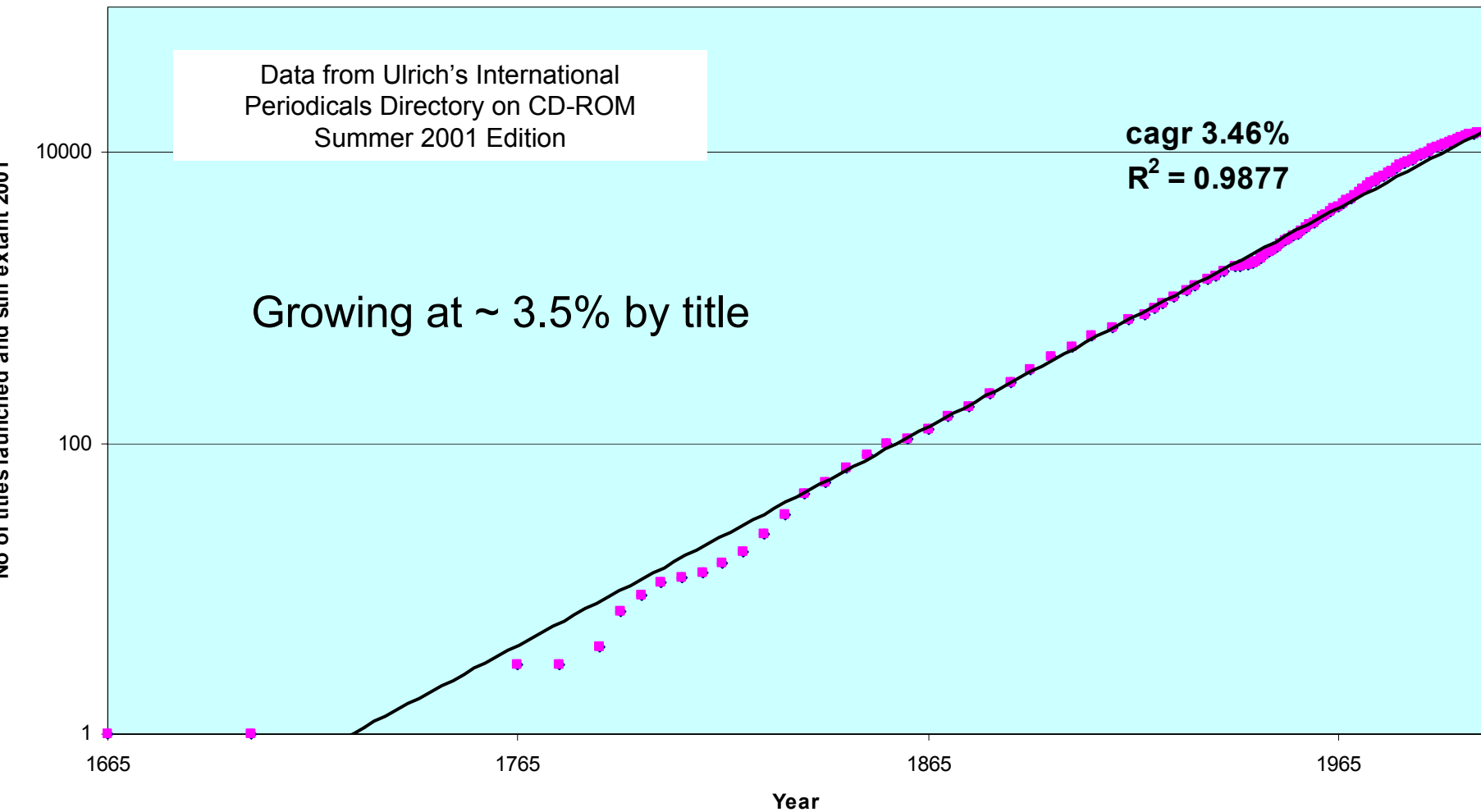
STM Journals Market Overview

- 2000+ publishers
- 20,000 journals
- 1.4 million papers/year
- 1.2 million authors/year
- 10-15+ million readers
- \$5 billion turnover pa
- Thousands of sub disciplines served
- Institutionally based
 - Universities
 - Medical schools
 - Research organisations
 - Government laboratories
 - Corporations



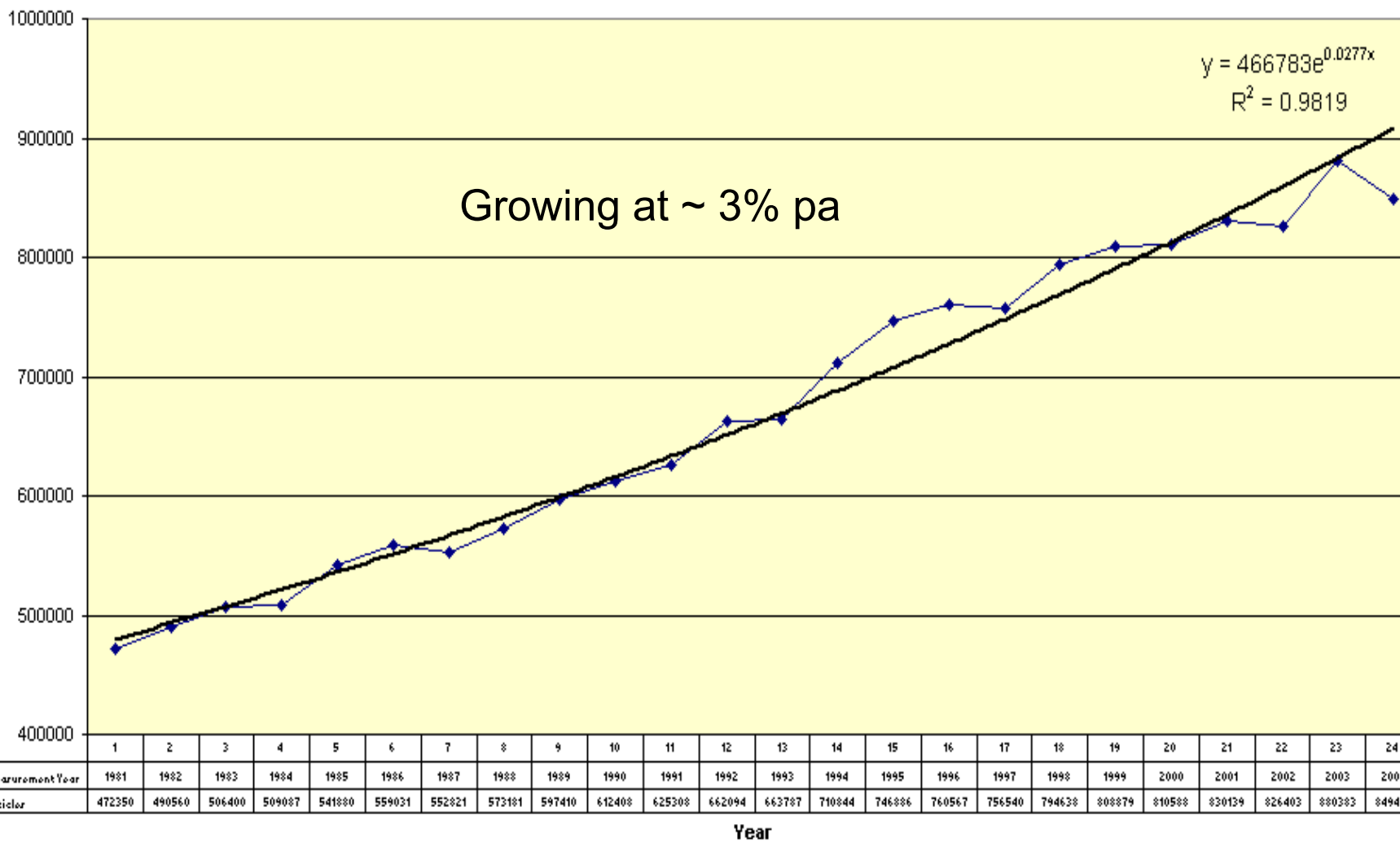
Peer-Reviewed Journal Growth 1665-2004

[Source: M A Mabe The number and growth of journals *Serials* **16**(2).191-7, 2003]



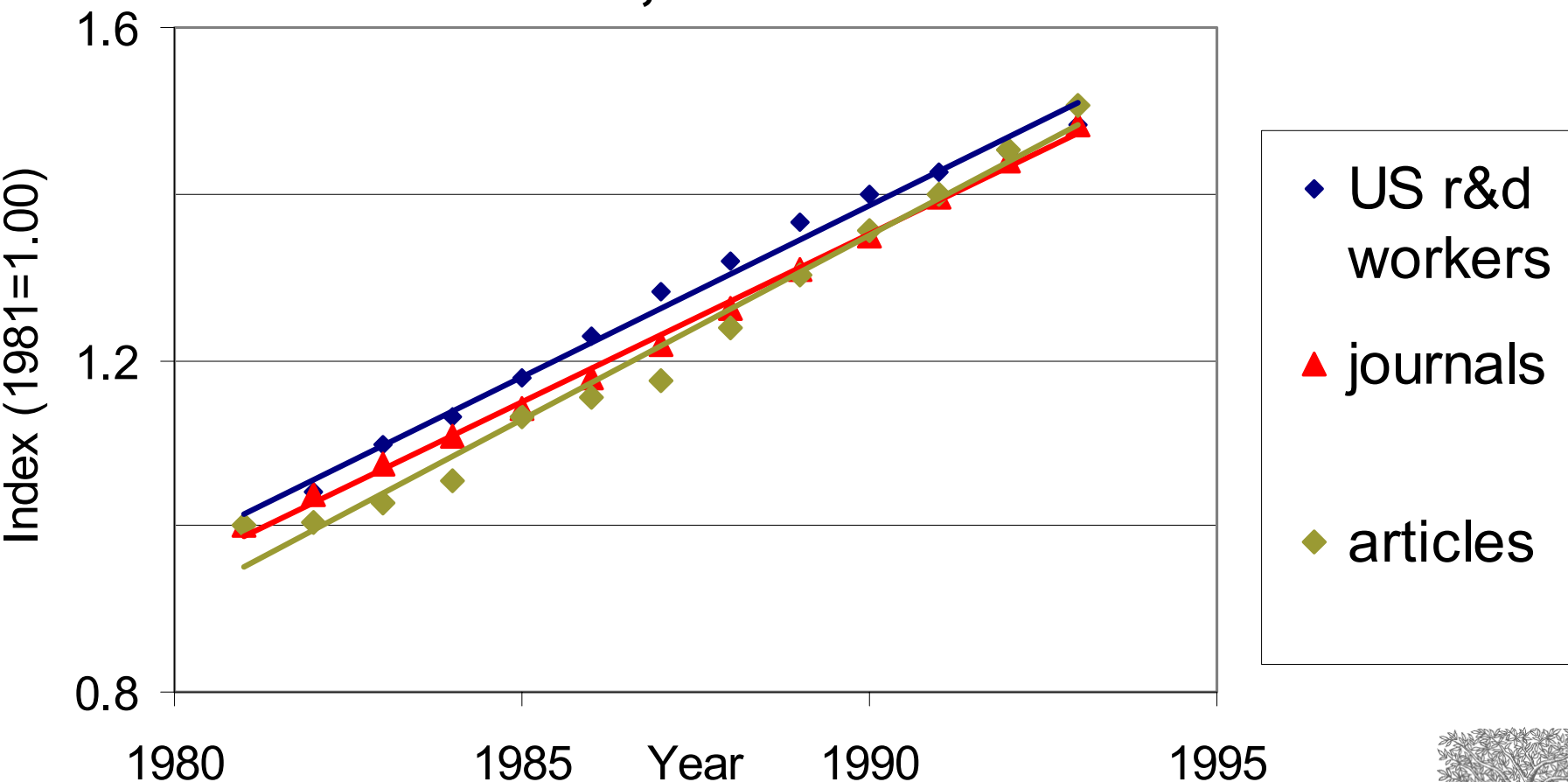
Article Growth 1981 – 2004

Growth in World Journal Articles 1981-2004



Relationship of Journals & Researcher Growth

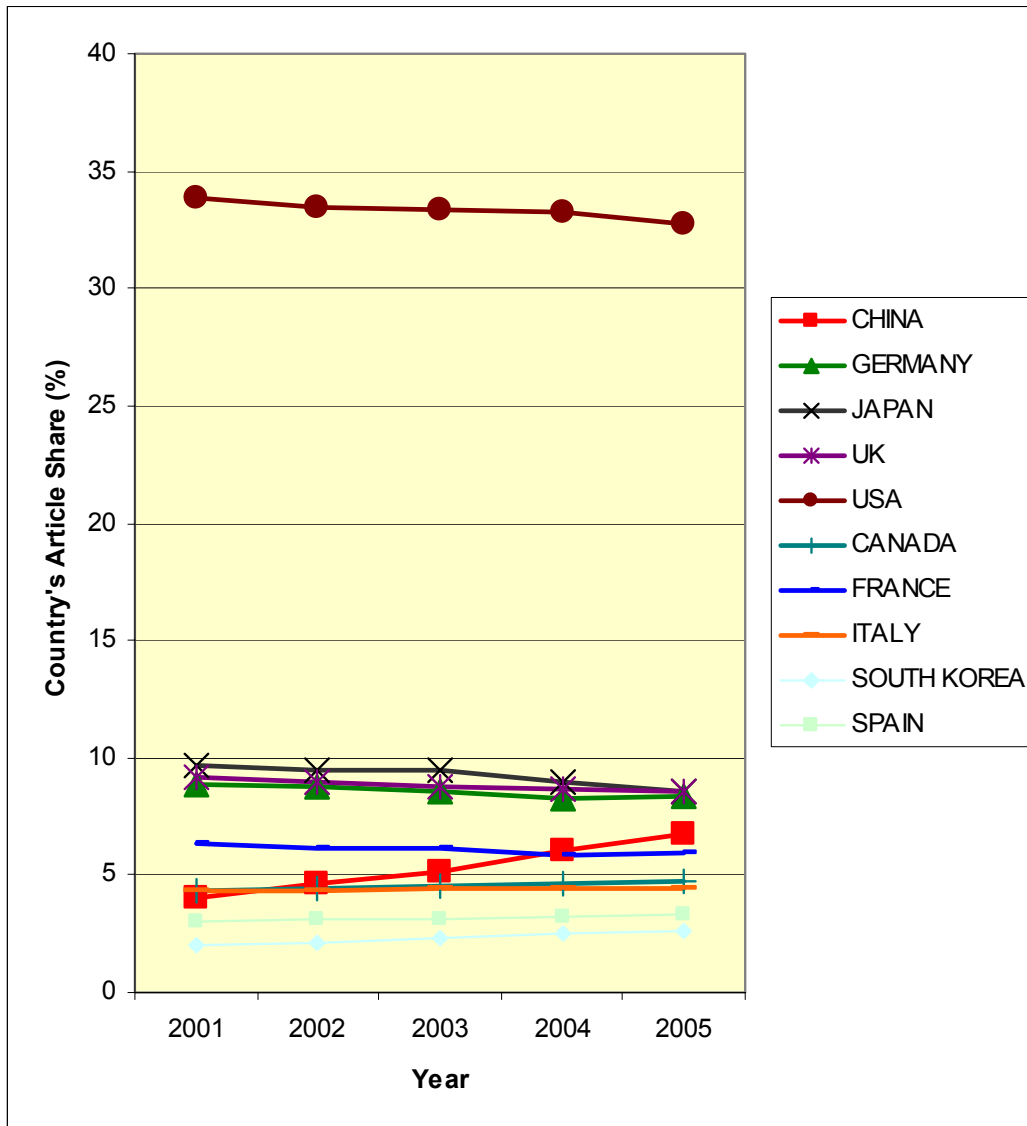
R&D Workers, Journals and Articles



More researchers \Rightarrow more journals



Global Trends in Research Output



Challenges for Publishers

- Technology (www ethos)
 - “e” = free
- Business models
 - Beyond subscriptions
- Government policy
 - Public funding = public access
- “Open” access movement



Open Access

- A philosophy
 - that all information should be freely available on the www
- A new business model
 - Pay to publish
 - Self-archiving by authors
- A means to public access



Business Models and Open Access

- Reader pays
 - Subscriptions and licences
 - Delayed open access but cancellations?
- Author pays
 - Publication charges
 - Immediate open access but unintended consequences?
- Someone else pays
 - Charities, foundations, government
 - Immediate open access until money runs out
- Nobody pays
 - Self-archiving by authors
 - Immediate open access but parasitic on journals



A Solution to Access Problems?

- Most researchers consider access to be
 - excellent
 - easier than 5 years ago

[CIBER Survey 2004, 2005]

 - Funding and Ability to recruit suitable research staff are the main barriers to research, Access was the 12th barrier

[CIBER Study 2006]
- HINARI and AGORA provide **free** access to biomedical and agro science titles to poorest nations
- E licensing at national level can already provide 100% access: examples, Iceland and Finland



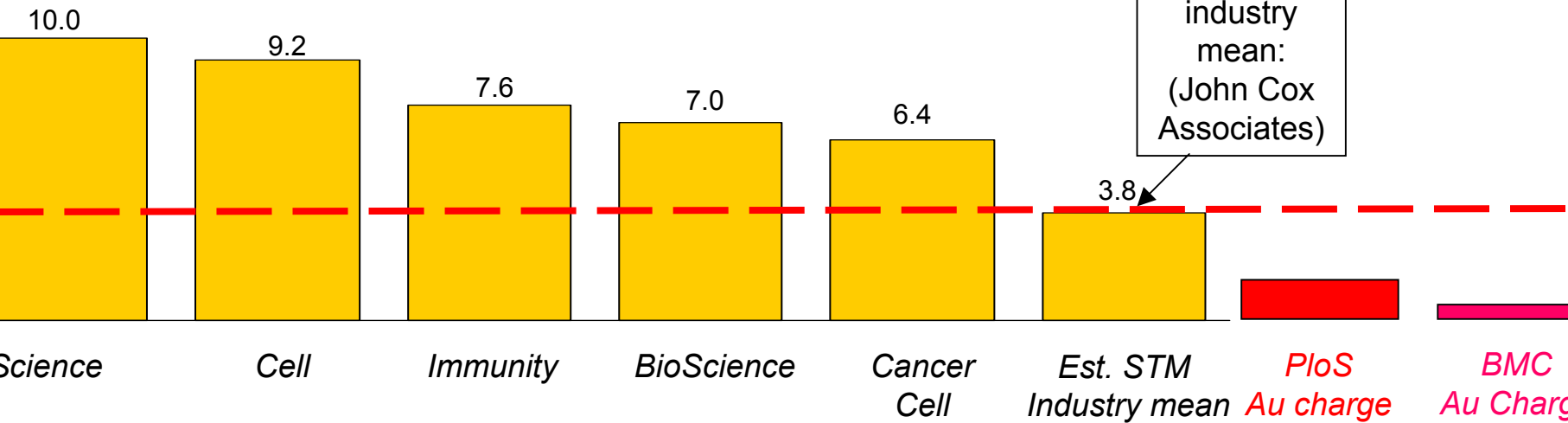
Claimed Author Advantages of Open Access

- More downloads
- Greater citation impact
- Little unambiguous evidence for either

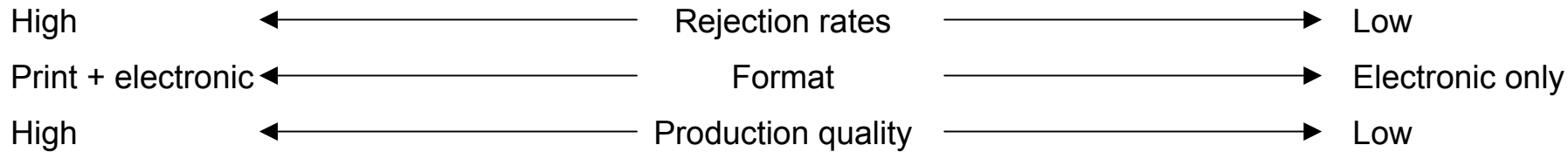


Sustainability of Pay to Publish Models

Estimated costs per article for selected journals: assumes all authors pay
 thousands



Drivers of cost per article:

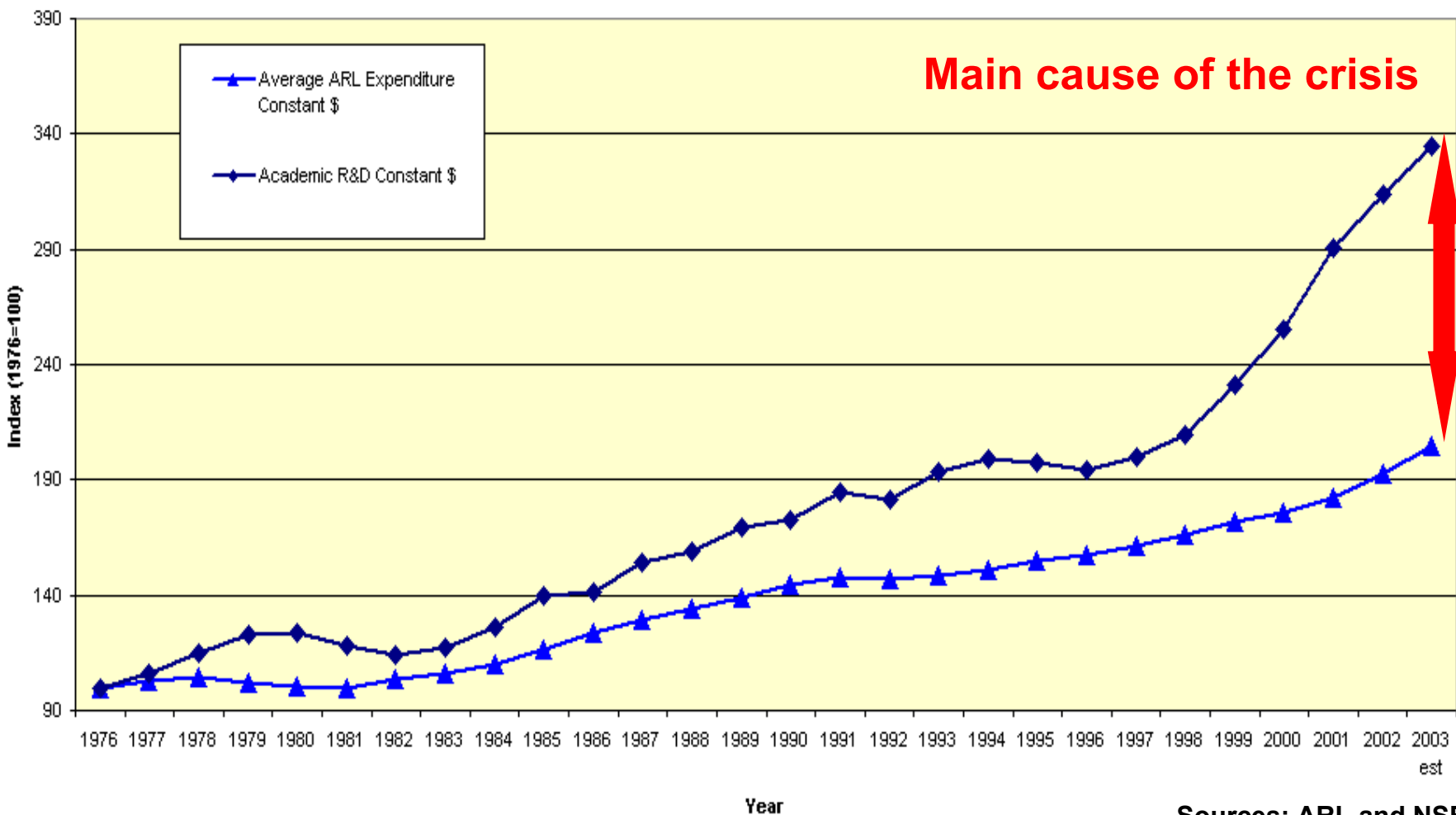


All these costs per article have to be increased by 33.3% and 16.6% = **50%** to account for poorer authors and corporate authors. This would make the average \$5,700 and the *Science* charge \$15,000 per paper, difficult for even funding bodies to afford



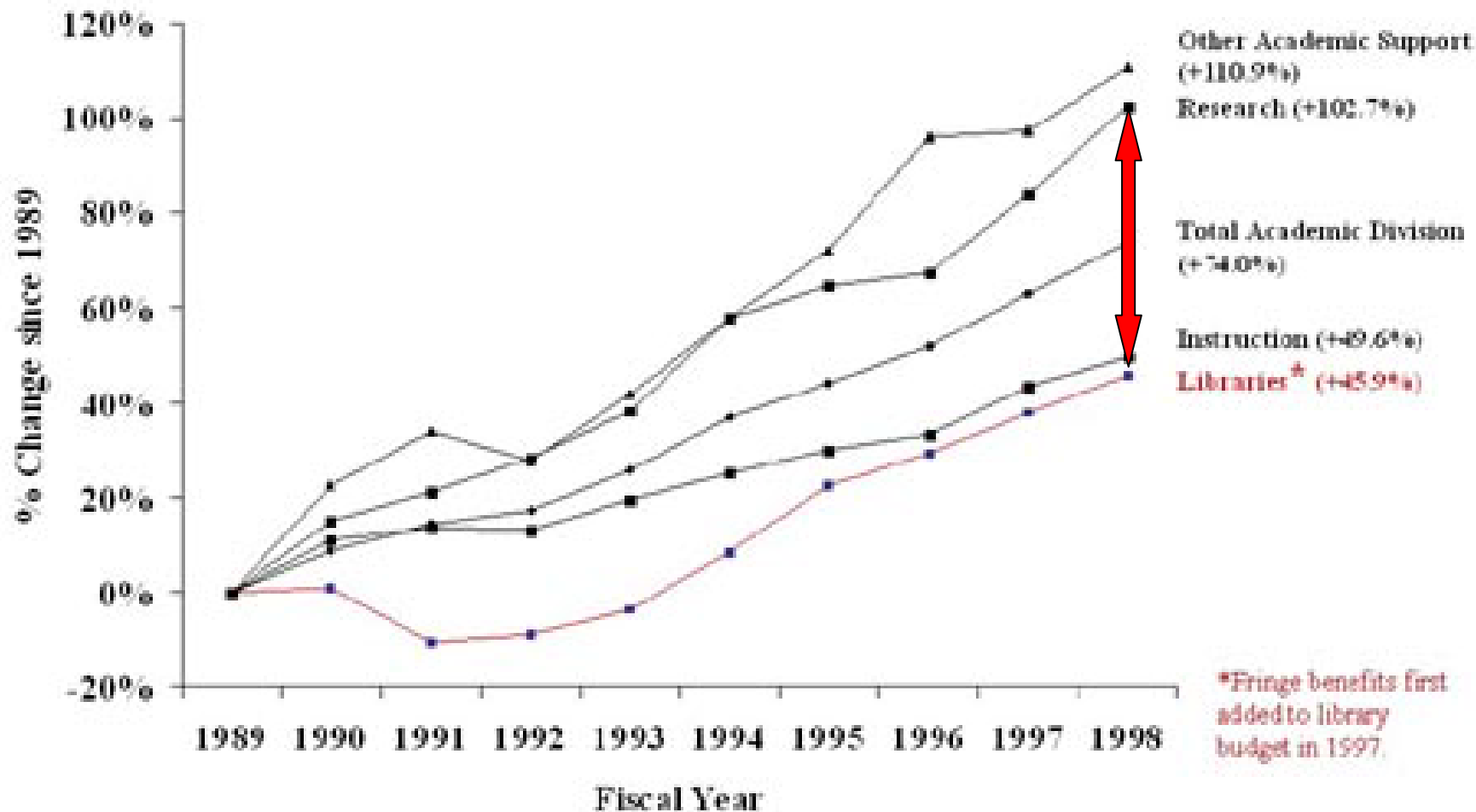
Growth in US Library & Research Spending

Growth in Research & Library Spending
1976-2003

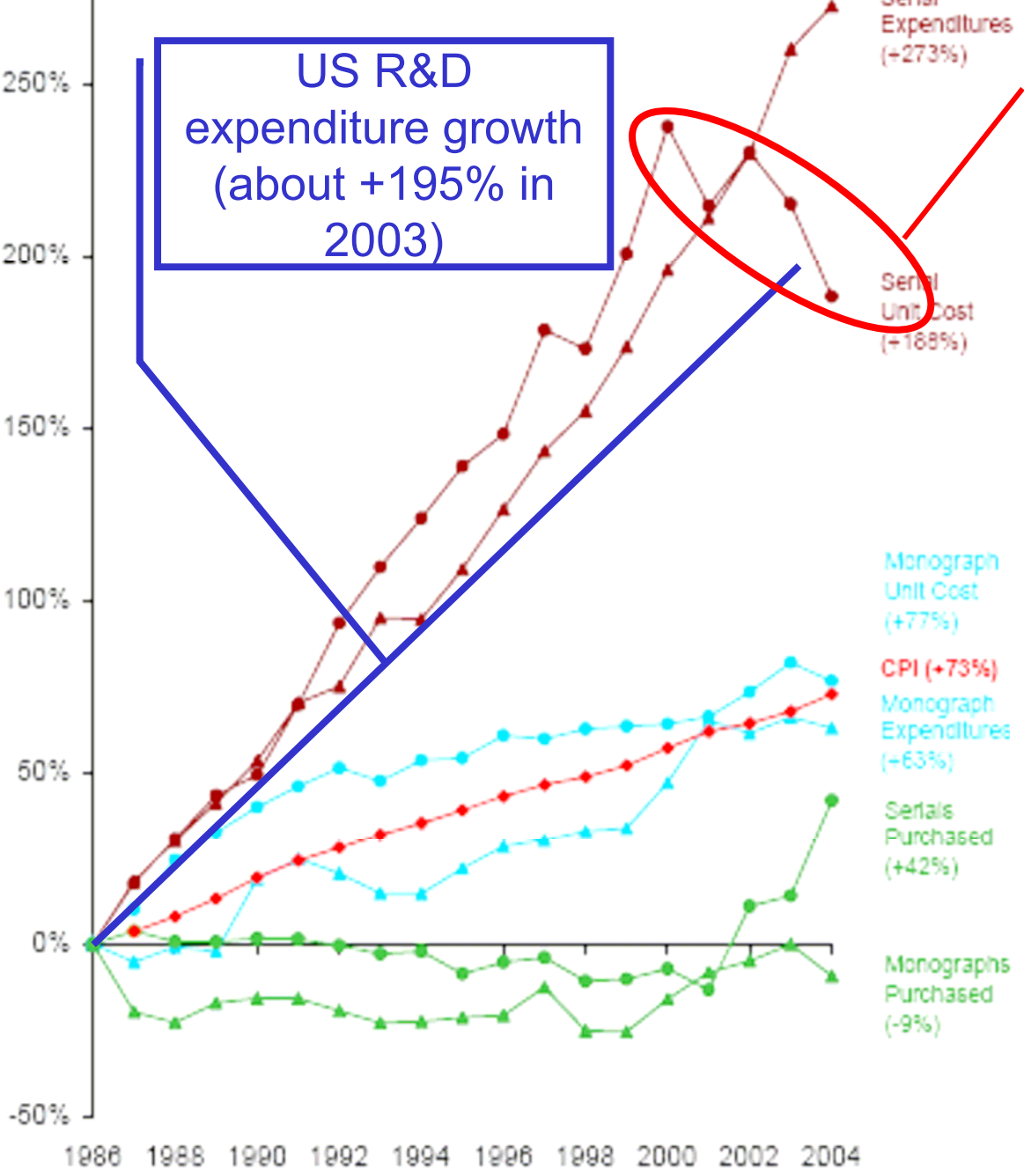


Sources: ARL and NSF

Expenditures of UVA Academic Division 1989—1998



Source: U.Va. Data Digest 1998-99 and IPEDS Finance Forms. Total Academic Support = libraries, academic computing, and activities of deans of schools (U.Va. Budget FY2000, p. 8). Other Academic Support = Total Academic Support minus Libraries.



Note reduction in average journal costs
Effect of "big deal" and e licensing

Serials spend @ 7.8% pa Less

CPI @ 3.1% pa

Difference of 4.7% pa to account for

Source: ARL Statistics 2003-04, Association of Research Libraries, Washington, D.C.



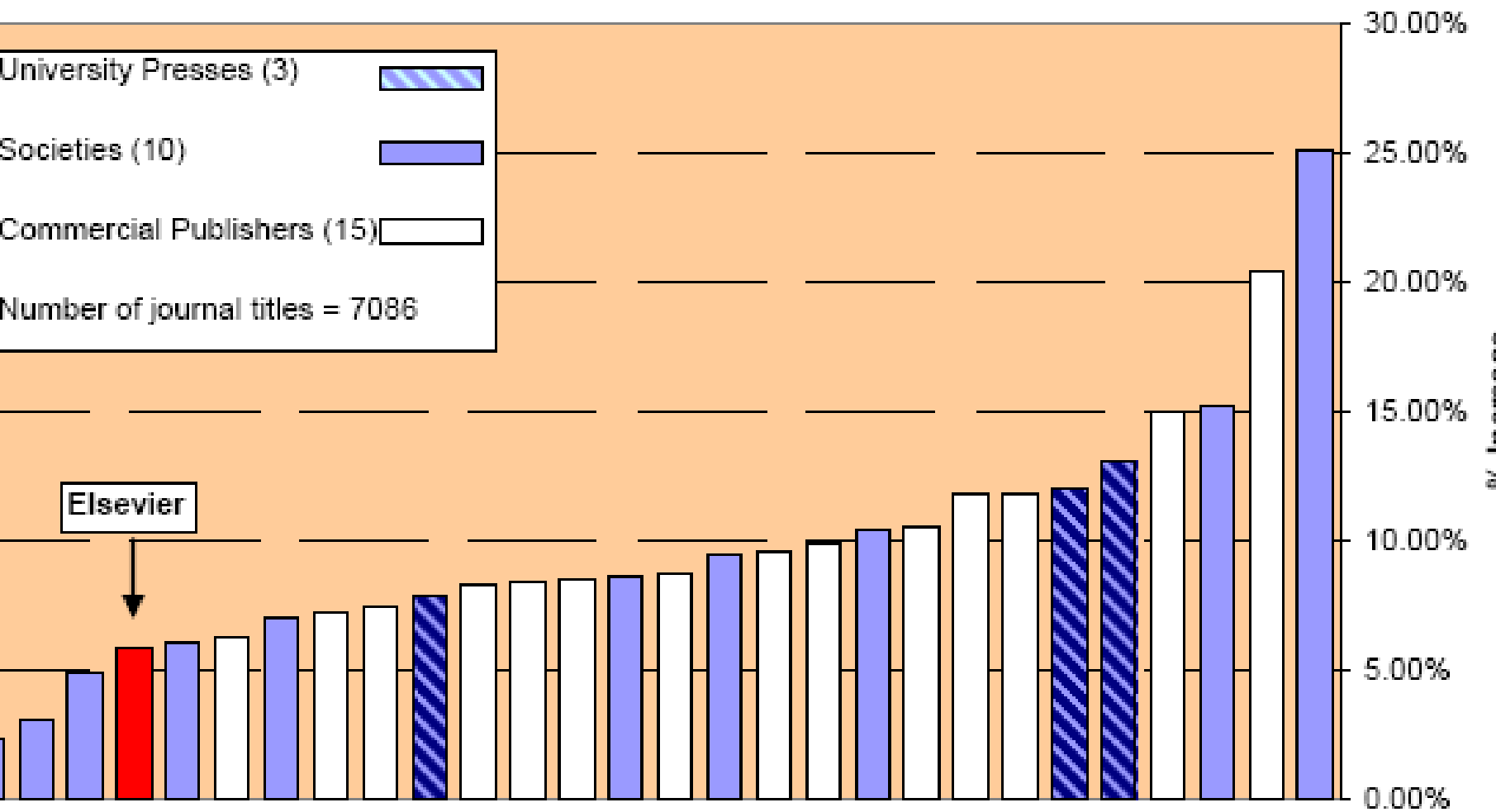
Annual Journal Price Rises

- Several elements make up industry 7.8%
 - Rise in no. of articles published [3%]
 - New journals effect [0 – 1%]
 - Costs of satisfying rising demand for downloads [0 – 1%]
 - Costs of manpower and materials [2 – 3%]
 - So price rises should average [5 – 8%]
- In 1999 Elsevier pledged not increase prices beyond single digits and to absorb attrition and currency effects
- We have stuck to our pledge
 - Rises of 7.5, 6.5, 6.5, 5.5 and 5.5% **well below** industry norm
 - Cost per full text article download drops year on year and is already below \$1 for large customers



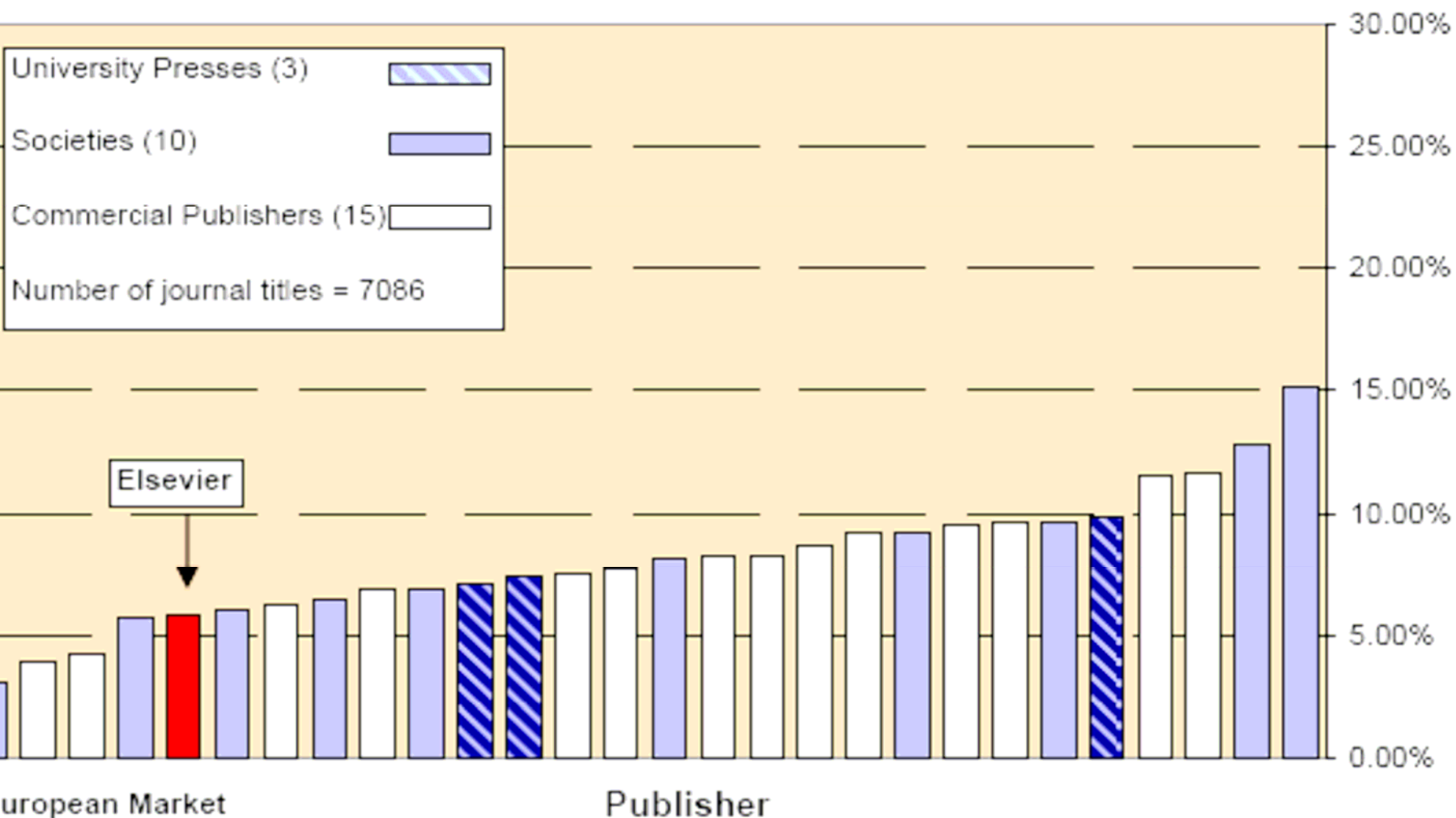
US Journal Price Rises 05/06 per Publisher

Average Price Increase Per Publisher 2005-2006



European Journal Price Rises 05/06 per Publisher

Average Price Increase Per Publisher 2005-2006



Absolute Journal Prices

Determined by

- Journal size (articles/yr published)
 - Average Non Elsevier journals publish 91/yr
 - Average Elsevier journal publishes 150/yr
- Market size (no. of paying customers)
 - Inverse market size and price relationship
 - General titles *always* have larger markets than specialised ones ... so,
 - General titles always tend to be lower in price than specialised ones of same size



Absolute Journal Prices

- Affected by potential for advertising income
 - Magazines (e.g., *Scientific American*, *New Scientist*)
 - Very high circulation, high ad income, very low price
 - Hybrid magazine/journal (e.g., *Nature*, *Science*, *Lancet*)
 - High circulation, medium ad income, lower price
 - Research journal (e.g., many Elsevier journals)
 - Low circulation, no ad income, higher price
- Publishers' Average Prices reflect Portfolio Effect
 - Concentration on specialised or research journals
= higher average price
 - Concentration on general journals
= lower average price

NOTE

- Published list prices have little **relation** to actual deals struck (significant discounting for “big deals”)



Absolute Journal Prices

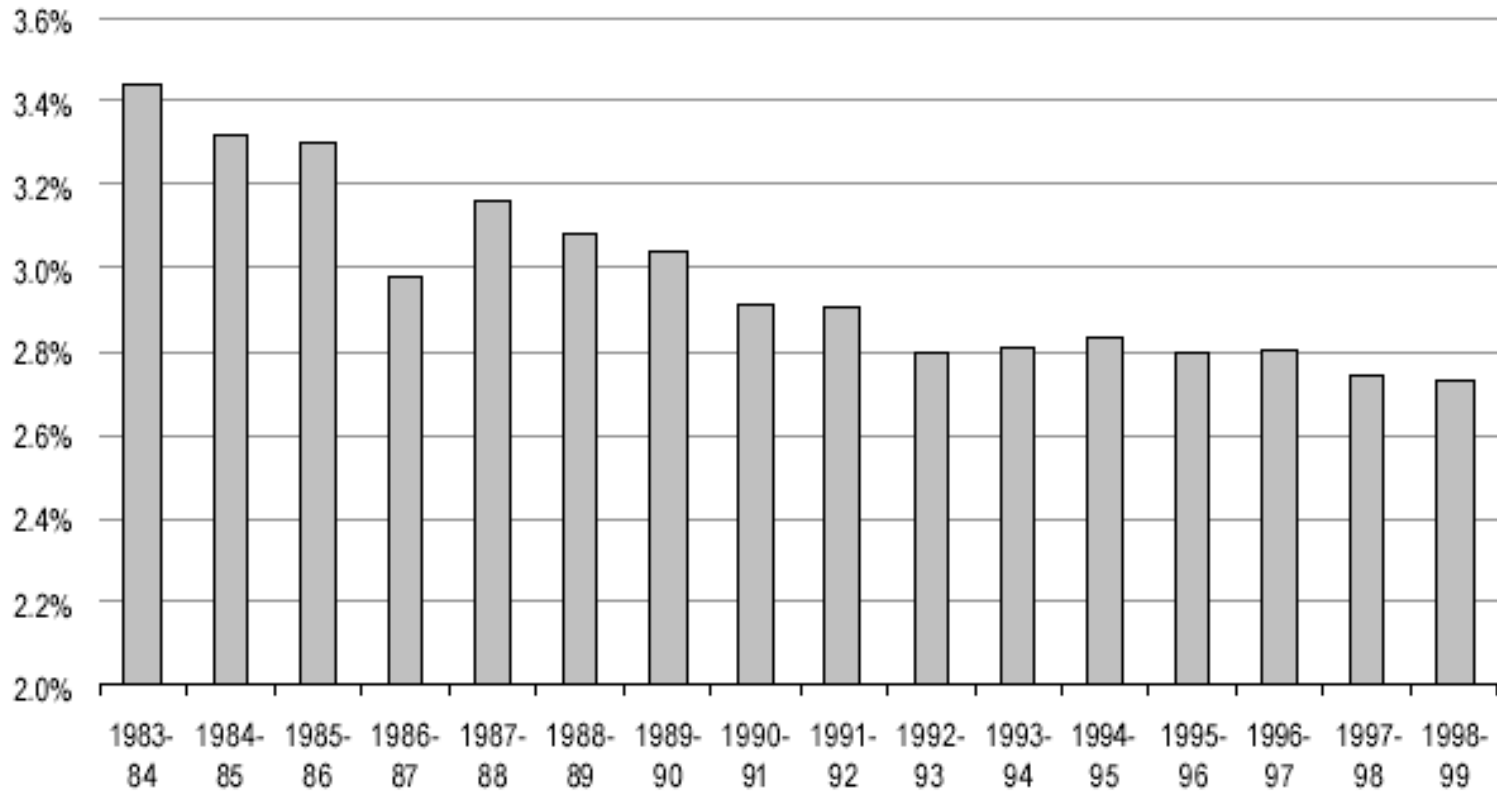
- Reduced by other income or subsidy
 - Societies have additional income streams to subsidise prices
 - Conferences, membership income, page charges
 - Societies have charitable status
 - Advantageous postal charges
 - Don't pay taxes on any surpluses
 - Elsevier has none of these



Credit Suisse First Boston: Report on STM

Figure 2: Library budgets a decreasing proportion of expenditure

Library exp. as % of US public university exp.



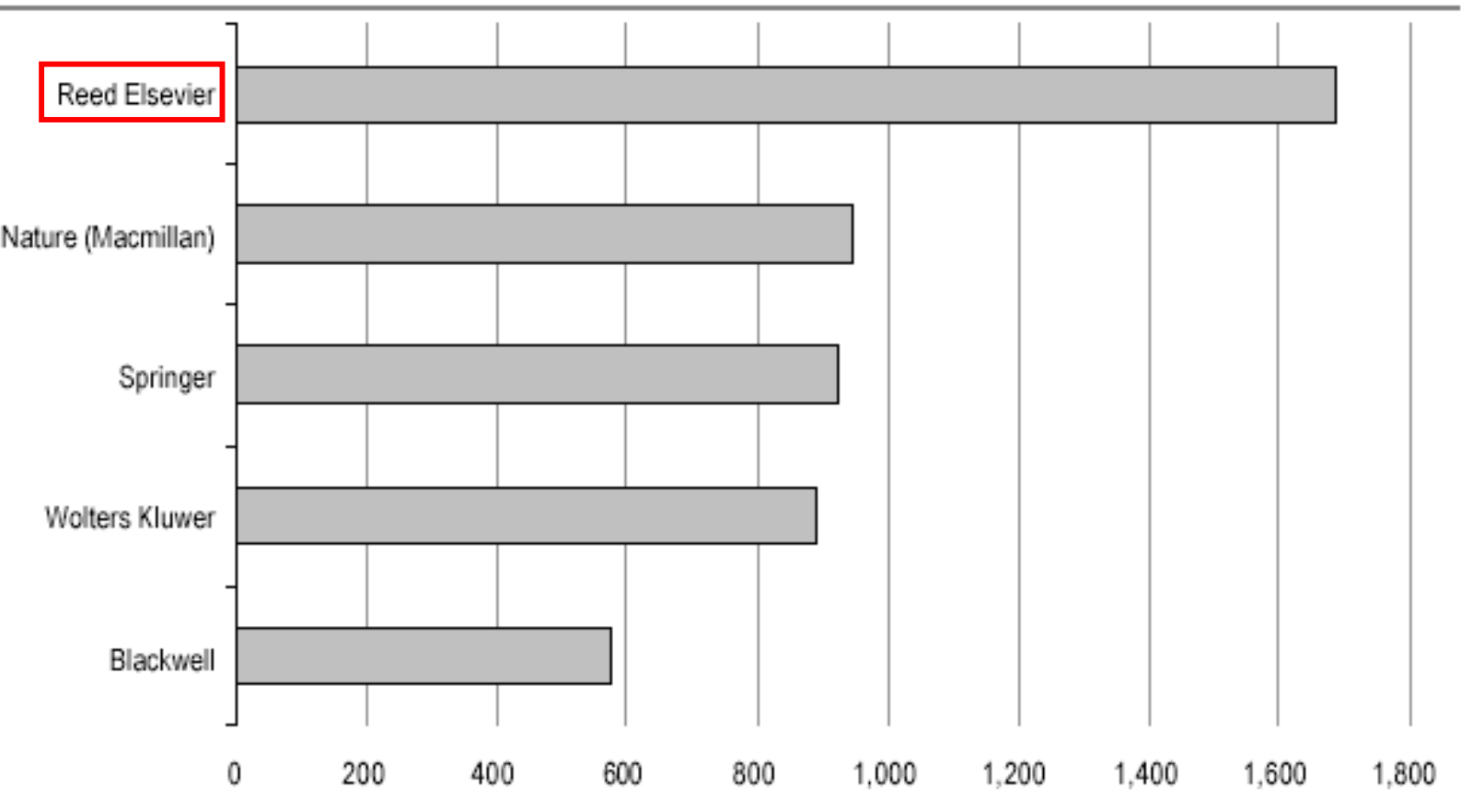
Source: US Department of Education, CSFB research



EXCELLENCE

CSFB Case Study: University of California

Figure 7: Average list price per title (2004)



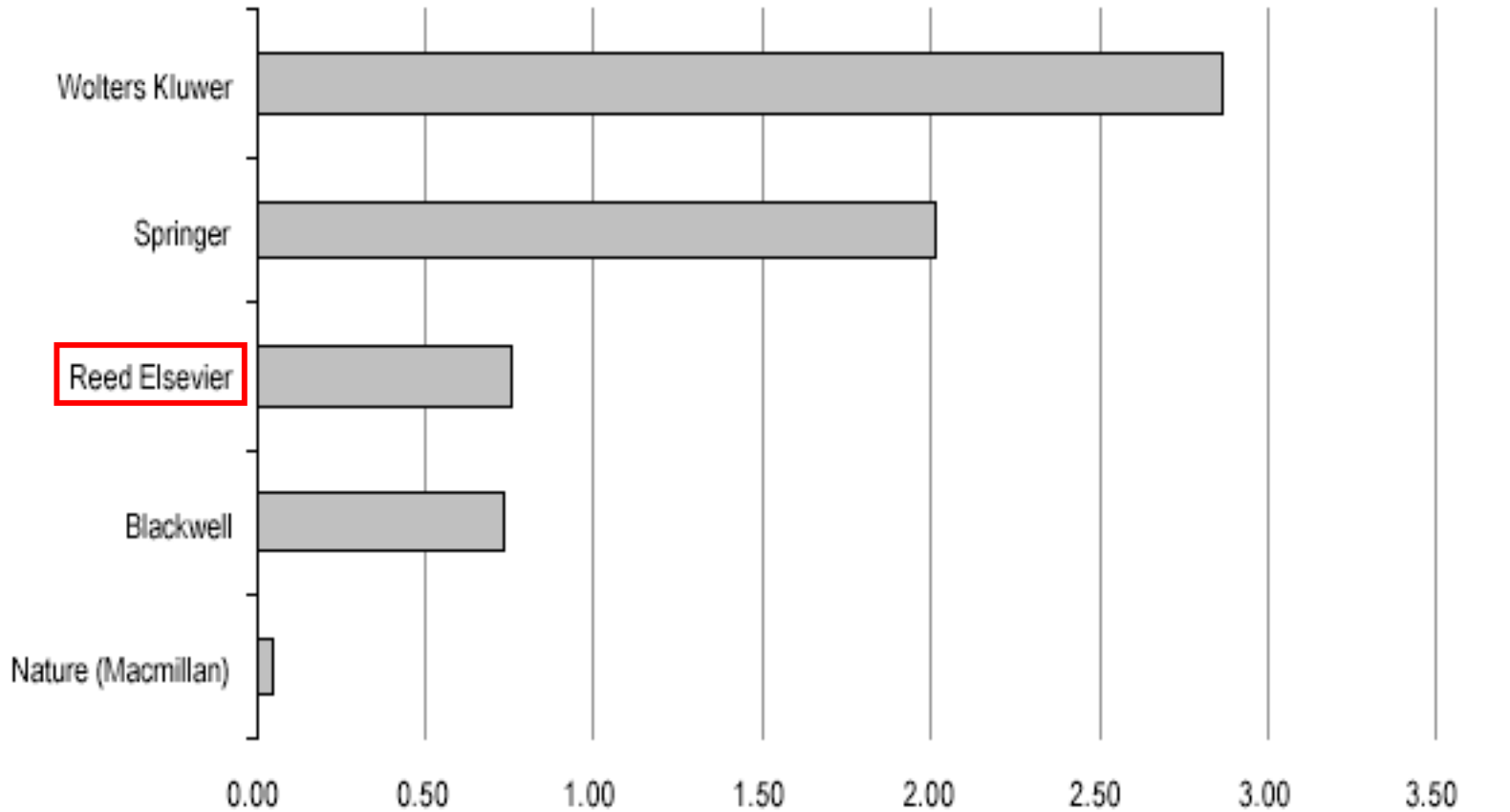
Source: University of California, CSFB research



CSFB Case Study: University of California

Figure 9 : Average price paid per UC Online Use* (2004)

\$ per online use



Source: University of California, CSFB research



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Where Do We Go from Here?

- Elsevier is very aware that the whole pricing issue has damaged our image causing our editors difficulties in their institutions
- We are
 - Listening to our editors and authors: your opinions matter
 - Striving to develop new pricing models that result in a new www – win-win-win
 - for scholar, librarian and publisher
 - Engaging with our critics and seeking to correct widely held misperceptions
 - Providing detailed materials laying out our case

