Sustainable Business Models
As a Publisher and Partner

Steve Fallon, DeGruyter
Sustainable Business Models for eBooks, A View Through Two Lenses

1. **Role as Commercial Publisher - DeGruyter**
   - Being Agile in a Competitive Market
     - A customized approach to the needs of our customers
     - Three Principles - perpetual access, no DRM unlimited use
       - Business Models as Revenue Streams (FL, BL and Archive)
         - Collections (full/sub), Book Series, PnC, Demand Driven, STL, EBA, Open Access

2. **Role as a Distribution Partner with G3 and G4 University Presses (2015)**
   - Business models and three principles were not sustainable for press or library
     - Presses restricting multi-user rights to front list content (85%, 60% and 30% single use only)
       - Concerned with cannibalization of print revenue from course adoption
     - Libraries forced to acquire UP content on multiple platforms with multiple rights and in multiple formats
       - *Duplication is not a revenue stream*
DeGruyter University Press Pilot Project 2014-2017

• **Goal:** Create a sustainable business model for the acquisition of all university press titles in electronic format with no restrictions.

• Sustainability for both the university press and the academic library.
  • Predictable annual spend for library
  • Predictable annual earnings for press

• **Participants:**
  • Group 4 University Presses
    • CUP, HUP and PUP
  • 14 libraries:
    • 7 ARL’s
    • 1 Doctoral University
    • 6 Carnegie Small

• **Pilot:**
  • UP’s make all of their monographs and trade titles available for purchase (2014-2017)
    • Perpetual access, No DRM and unlimited use
  • Libraries purchase all of the titles upfront as a collection (2014-2017)
DeGruyter University Press Pilot Project 2014-2017

• **Conditions:**
  • The library commits to paying for additional copies of a title if the number of downloads exceed a pre-arranged multiplier.
    • The cost for the additional copy is the lowest prevailing print price
    • The library has the right to withdrawal any additional commitment to a title once ten copies have been purchased.

• **Results as of December 31, 2016**
  • 113 unique titles have triggered a purchase – 251 copies were sold
    • The average additional cost for adoption titles per library is minimal at $756/library
  • An additional 203 titles are greater than 50% of trigger rate
  • 92% of all 2014-2015 titles have been used
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• What We’ve Learned Thus Far:
  • The 2014 eBooks have yet to peak – still growth in 2016
  • The assignment of rights by the press is not differentiated by use at this time.
    • The usage and adoption rate for both single use and multi-use titles is relatively the same
    • Of the 113 titles:
      • 49 Multi-Use
      • 64 Single Use
  • Adoptions have not cause any library to withdrawal a title
  • Sustainable for Participating Presses and Libraries? Yes

• Still To Be Determined:
  • Do we have the right multiplier?
  • When is a title wholly owned with no additional financial commitment from the library?
  • What is the impact on print spend for the presses?