



Charlotte Initiative

*Sustainable Business Models
As a Publisher and Partner*

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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

DeGruyter University Press Pilot Project 2015-2017

- **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?