

Influence of Changes in Technology on Publishing Business Models

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What publishers and editors decide today may jeopardize the future of their businesses, according to Richard W Newman of the American Medical Association. Newman warned of the dangers of continuing to do business as usual, stating that technology and technology-driven changes in library and institutional requirements make it mandatory for publishers to migrate from old to new business models.

In the old business model, publishers incur the costs of producing a book or a journal, recognize revenue on the sale of the book or over the lifetime of the subscription, and match the revenue to the expenses. In the new business model, the content purchaser licenses the product and then has “perpetual access” to previously licensed content, which means that

content producers will have continued expenses long after revenues have been collected.

The shift will require format migration in that producers will be obliged to preserve online material forever. To effect a smooth migration, publishers should consider instituting perpetual-access fees and maintenance fees and make good use of online advertising. They should also require authors to adhere to specific format options according to prevailing technology standards; these standards will provide backward compatibility and allow bulk-migration initiatives. Finally, publishers should support naming and formatting standards, such as those used by the National Library of Medicine, and they should support preservation efforts, such as Portico and CLOCKSS.

Kent R Anderson, of the *New England Journal of Medicine*, offered ways to think about the seismic shift facing publishers as they move to an online business. Anderson posited that the Web is a “disruptive technology” that changes markets, threatens business models, and allows new entrants to compete with new value elements. The pre-1995 paper journal was a “hardware” business in which text, photographs, and line art were distributed to readers in a fixed format. Now a journal is a “software” item that is distributed to readers with content, services, and display separated.

An online presence incurs new fixed costs because of the new professionals, multiple versions, and legacy support that a software business connotes. Publishers that straddle print and online businesses will see a decrease in print subscription and advertising revenue. The revenue decrease can be offset by new revenue sources, such

as licensing fees, behavioral advertising, and video ads, but prices and profits will be lower, and fixed costs will force tough decisions in the ensuing decade.

The core mission of the University of Chicago Press, according to Mary Summerfield, is to support teaching and disseminate knowledge more broadly in a not-for-profit but self-sustaining way. Chicago publishes more than 200 new book titles each year—including translations, classics, and reference books—and also publishes 47 law, medical, education, humanities, and science journals.

The press has seen many changes in technology since its inception in 1891. Manuscripts have gone from being handwritten to typewritten to word processed. Editors have gone from using card files and the US mail to electronic systems and communication and from red pencils to online editing tools. File preparation has gone from cold type to XML file markup to sophisticated composition programs, and offset printing has gone digital. Print editions and fee-based print abstract and indexing services have evolved to online fee-based abstracting and indexing and free online search tools.

Technologic development puts pressure on publishers to provide enhanced services to authors, researchers, libraries, societies, and individuals. The University of Chicago Press business strategy to meet those demands includes partnering for most of its technology elements, remembering the mission it has as a university press, and recognizing the strengths it has as a custom-service provider to, and a publishing partner of, societies and other not-for-profit publication developers. 