Pay-Per-View at the American Institute of Physics:
One Scholarly Publisher’s Experience with “The Article Economy”

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 against the grain

people profile

Mindy King


EARLY LIFE: Grew up on a lake so spent most of my time either in it (swimming in the summer time) or on it (skating, skiing & snowmobiling in the winter time).

FAMILY: A wonderful husband and one very spoiled puppy!

IN MY SPARE TIME: I’m an avid football fan (Go Vikes!) and love doing anything outdoors.


GOAL I HOPE TO ACHIEVE FIVE YEARS FROM NOW: Hike all 205 miles of the Superior Hiking Trail (doesn’t have to be all at once).

HOW/WHERE DO I SEE THE INDUSTRY IN FIVE YEARS: That’s a tough one! I think there will definitely be a role for libraries, but we will need to switch our focus from “housing” information to helping our users gain access to the information they need.

Pay-Per-View at the American Institute of Physics:
One Scholarly Publisher’s Experience with “The Article Economy”

by Douglas LaFrenier (Director, Publication Sales & Market Development, American Institute of Physics, 2 Huntington Quadrangle, Melville, NY 11747) <dlafrenier@aip.org>

Despite all the talk of the “article economy,” sales of single articles are a minor revenue source for scholarly publishers, who continue to rely on subscriptions and consortia deals for the vast majority of their income. (Publishers in some disciplines can count advertising as another source of revenue.) Yet the purchase of single articles obviously serves the needs of a significant number of users: My organization, the American Institute of Physics (AIP), for example, with a total article database of about 400,000 papers, sold an average of 560 articles per month from our Website in 2008. And that does not include articles sold through third-party document delivery services, such as Infotrieve, CISTI, and the British Library.

AIP, as it happens, was one of the first two publishers to enable anyone with a credit card to buy any article online, back in April 1998. The American Chemical Society was the other, and ACS beat us to the punch by a matter of hours. (We lost the bragging rights that come with the first press release!) Since AIP’s online platform, Scitation, hosts many other not-for-profit society publishers, we enabled each of them to enter the online single-article marketplace as well. “E-commerce” was the heady talk of the day (this was before the dot.com bust around 2001), and publishers were pleased to have this new revenue stream from direct sales, though many undoubtedly expected more robust results.

In retrospect, the low number of direct article sales was partly due to the fact that we were still focused on “availability” and had not yet discovered “discoverability.” It took Google to teach us that.

Google is so much part of publishing DNA these days that it’s hard to remember how much resistance it met with originally. Publishers debated about allowing Google spiders to crawl our Websites for content — indeed, many publishers were still trying to build “portals” or “gateways” to corner online traffic in their disciplines. Why wouldn’t our users come directly to us for our content? Google was a game-changer if only because it caused a lot of us to rethink this strategy, and forced us — even the Society publishers whose brands are virtually synonymous with their subject matter, such as ACS or IEEE or the American Physical Society — to realize we were not the center of our universe. Once we permitted Google to index our content in 2003, the “Google effect” was plain to see: Before Google, our article sales were about $2500 a month; after Google indexed our content, sales rose fairly immedi-

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ately to $4500 a month. Simply put, Google indexing nearly doubled our sales. (Current AIP article sales are considerably higher than these 2003 numbers but still only account for 1.5% to 2% of our total publishing revenue. Referral sources today include Yahoo, Google Scholar, El Village, Scirus, Live.com — but Google remains the biggest driver. Not all of this inbound traffic results in an article sale, of course.)

The repercussions of “search” were profound in other ways. Most notably, users were coming directly to the abstract page of the article, and many publishers quickly adopted the view that “the abstract page is the new home page.” As a result, publishers redesigned and rebuilt their abstract pages to enhance brand, navigation, user tools (“email this article”), and “more like this” features, as well as more recent social bookmarking tools.

The dominance of general Web search exposed another problem for some publishers: the availability of multiple “instances” of an article, which might be found on an author’s Website, or an institutional repository, or a subject-based repository, or an outright “pirate” site. (Who knew there was a robust black market for scholarly articles?) This has been a very minor problem for AIP. Despite the widespread belief that all physics papers appear first in arXiv, only 3% of AIP articles are duplicated there. And only about 10% of our papers seem to be available on author or other Websites.

From Single Articles to Article Bundles

While the online sales of articles are a steady source of income, selling a single article to an unknown user (we capture only an email address in the transaction) is less than ideal for both the seller and the buyer. The buyer can satisfy his or her information needs virtually instantly, but still has to pay the full publisher royalty for a PDF file. The seller benefits from a virtually automatic transaction, but develops no real business relationship with the buyer. When we noticed at AIP that we had a number of repeat single-article buyers, we took the obvious next step. We launched AIP Article Packs, which allowed users to prepay, at heavily discounted per-article prices, for a fixed number of downloads across our whole publication program. Each article the buyer used was debited against his or her deposit account, and these accounts could be replenished with a credit card at will. The benefit for AIP is that we have a product that can be renewed over time, so each former “grab and go” buyer becomes an ongoing customer to whom we can communicate about new offers, new products, and new features.

Because corporate libraries have been closed in droves over the past decade, leading to substantial subscription cancellations, we knew we wanted to apply the AIP Article Pack model to the institutional — and, specifically, the corporate — market. This led to AIP Articles On Demand (AOD). AIP certainly didn’t pioneer this model; in fact, we were influenced by IEEE Enterprise, an article-bundle product that IEEE created for its own corporate market. I’d like to take a moment to explain how this product works, since there is an intense interest in alternative purchasing models in the wake of the global recession.

AIP Articles On Demand (see https://www_associationsciences.org/aod) offers article bundles in sizes of 500 (for $5000), 250 ($2750), 100 ($1200), and 50 ($650), so the price per article ranges from $10 to $13 depending on the size of the bundle. (Note that AIP’s single-article fee is $24.00.) These rates are higher than what an individual would pay for an AIP Article Pack, but the AOD product has benefits for institution-wide use:

• Librarians (or whoever may fill this role in a small company) choose the size of the bundle they want, and create a deposit account with AIP from which each download is debited. They thus eliminate the need to pay for each individual transaction and have a more subscription-like relationship with the publisher.

• Librarians have a password-protected, Web-based Account Manager that allows them to track each article purchased, maintain a running list linked to the article abstracts, monitor download activity, and replenish the AOD account online whenever necessary.

• Users are IP-authenticated and can freely search across AIP’s database of journals, conference proceedings, and magazines, downloading any article of interest. Their experience is very much like any user at an academic institution with an AIP subscription. None of the behind-the-scenes, debit-by-download activity is apparent to them.

• Any article, once downloaded, is available without further charge to any other user in the company. No one pays twice for the same article.

• The librarian not only can follow the research interests of their staff scientists by freely search across AIP and Scirus, but the AOD product will ensure that all downloads are counted, allowing them to monitor uses of abstracts, tables of contents, and searches, as well.

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- Because AOD deposit accounts allow the firm to pay only for the articles its research actually uses, there is a “just-in-time” dynamic with great appeal to the productivity needs of the modern company. (The academic model, by contrast, is “just in case”: A large corpus of material is made available just in case a researcher may need it.)

With regard to this last point, it is worth pointing out that a product like AIP Articles On Demand is great for a company with moderate research needs. But no company with heavy research activity will find a better bargain than a straightforward subscription, because subscriptions offer the best price-per-download rate for high-use organizations. Indeed, this is part of the reason we tend to be wary of offering article-bundle products like AOD to academic institutions. The need to maximize the serials budget makes the price of even the biggest AOD bundle look far more affordable than a typical AIP journal subscription. Many librarians will be drawn to what seems like a lower-cost version of the same content. But it can quickly become apparent in many institutions that the download activity will require that an AOD bundle be replenished several times a year to keep up with researchers’ needs, so the “value” of the bundle can disappear very quickly.

What Future do We See for Products Like AIP Articles On Demand? Will We Offer it to Academic Institutions as well as Corporations?

The broader answer is that AIP already practices differential pricing. We tier our journal prices according to the research levels of our subscribers, so that smaller, less research-intensive institutions pay less than bigger, more research-intensive institutions. Academic institutions with consortia licenses to AIP content pay differently than single-site subscribers. Institutions in emerging economies pay little, or nothing, to access AIP content. We want to offer our content in whatever way best suits the needs, interests, and budgets of our customers. While we do fear cannibalizing our bread-and-butter subscriptions by offering an article-bundle product to academia, we are also — librarians and publishers alike — moving to more evidence-based metrics of price and performance. COUNTER is the key initiative here, but measures of quality (whether Impact Factor or eigenvalues or h-indexes or the next new thing) will matter, too. It is not hard to imagine the near-future, when an information provider and an information consumer will together find an optimal way to deliver content not for the cheapest price, but for the best value. Subscriptions, site licenses, customer-owned-and-operated archives, author- or funder-paid open access, article-based deposit accounts — all of these options will be part of the menu of access models available to the librarian in the brave new world that is right around the corner.

Is Deep Dyve Another Game-changer?

As I was writing this article, Deep Dyve announced a pay-per-view service that will charge only 99 cents an article for a 24-hour “rental.” This has been called an “iTunes-like” model, but users cannot download or save the article — it literally “pay per view,” since the only thing the buyer can do is read the article onscreen. Deep Dyve also offers $9.99 per month and $19.99 per month subscriber plans with more user rights than the 99 cents per article option. But it is clearly the 99 cents price point that has attracted everyone’s attention. Publishers’ single-article fees tend to be high enough not to undermine the value of a subscription. But such formulations derive from the print era, when single-article sales were all done by third parties and were hard for a publisher to regulate or monitor. The article economy in the days of print was thus largely an “invisible” economy, which publishers feared more than encouraged. In the current online era, when article sales can be much more effectively tracked, the new Deep Dyve model offers an experiment that many publishers will want to join. If Deep Dyve can get enough publishers involved to achieve the same kind of comprehensive service that Amazon provides for books, it could become an enormously significant player. Sure, we’re all nervous about cannibalizing subscriptions — but in a moment of huge economic uncertainty for our traditional revenue streams, experiments like this may be the only way to find new and sustainable business models.

I don’t think I told y’all about seeing the gorgeous Kathy Ray at the Acquisitions Conference in Oxford, England last year! Did I? Kathy was one of the excellent speakers at this Conference and I discovered that she is married to Ron Ray once of University of the Pacific! Ron has left libraries and is now working in IT and he and Kathy are located in beautiful, exotic Sarjah in the United Arab Emirates. Talk about glamorous!

And, guess who else has traveled to foreign parts? The industrious Joseph J. Brainin has continued on page 61