

How to protect and develop sales Issues for journal publishers in Japan

Tony O'Rourke

ALPSP Seminar, Tokyo
February 2010

How to protect and develop sales

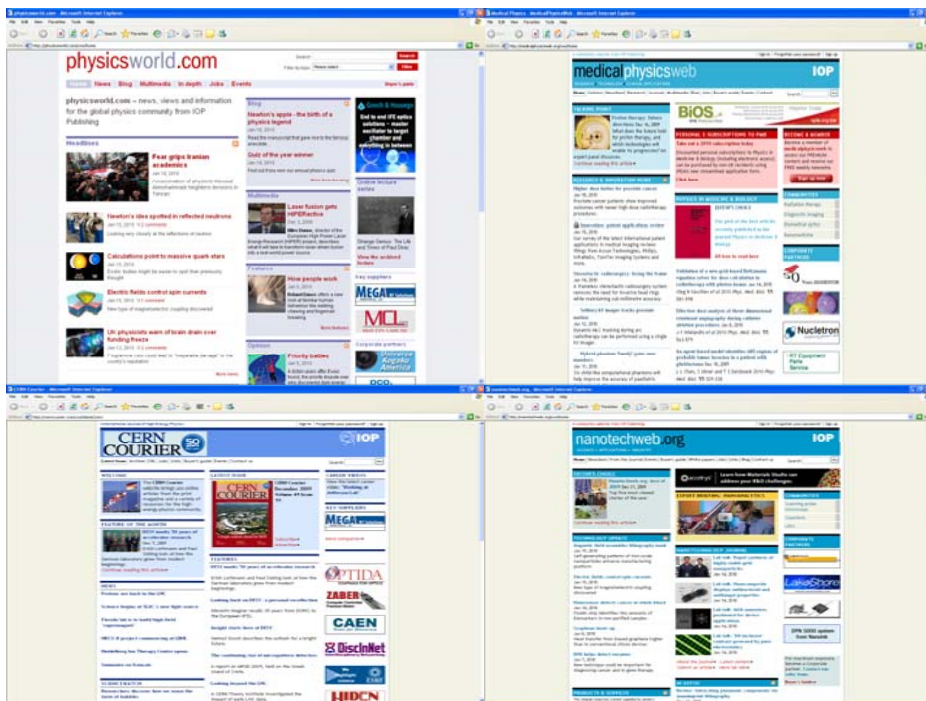
- IOP Publishing
- Understand your market
- What is your business model?
- How international is your content?
- How do you currently sell your content?
- What is important?
- Pricing your content
- Editorial service?
- Other metrics

The Institute of Physics

- **Scientific charity**
 - Promote and support physics in furthering scientific knowledge
 - Provide economic and social benefits in the UK and Ireland, and internationally – especially in the developing world.
- Increase the practice, understanding and application of physics
- Worldwide membership of 36,000+
- Fund scientific communities (IOP divisions and groups)
- Leading communicator of physics-related science to all audiences, from specialists through to government and the general public.
- IOP Publishing is a wholly owned subsidiary of IOP

Journals





IOP Publishing

A few facts about IOP Publishing

- **Sales turnover 2009** £36m (\$60m)
 - More than doubled since 2003
- **2009** **30,000 papers published**
 - 2000 6,000 papers published
- **Customers in 90 countries**
 - Users in 120 countries
- **2009** **64 journal titles**
 - 2000 29 titles
 - More than half with external journal partners
 - Contract publishing service

IOP Publishing



IOP Publishing

Staff and Resources

- **IOP 2000** **200 staff in two countries**
- **IOP 2009** **300 staff in six countries**
 - Offices in Bristol (UK), Washington DC and Philadelphia (USA)
 - Sales offices in China, Japan, Germany and Poland
 - Editorial offices in China, Japan and Russia

1. Understand your market

- **What is the size of your respective market**
- **How many researchers / research groups will**
 - Need your content
 - Be interested in reading your content
- **How many institutions**
- **Sources**
 - Ringgold
 - A&I databases
 - Chem. Abstracts, INSPEC, MedLine
 - Biomedical Experts (Collexis)
 - AIP UniPHY
 - Other journals
 - How many papers from how many institutions?

2. Be clear on the business model for your society's publishing programme

- **The business model defines the way you run your publishing business**
- **The business model must be sustainable!**
- **For the benefit of your “science” / subject**
- **Cost recovery**
 - Enough revenue to cover costs of production, distribution etc.
- **Cost recovery plus surplus**
 - IOP Publishing model
 - Reinvestment in Physics (UK and elsewhere)
 - Teacher support
 - Foreign aid programmes

http://www.iop.org/activity/international/file_33510.pdf



3. To succeed internationally your content must be of international appeal

- **How international is your content?**
- **What can you do to make your publication (book/journal) more international**
 - And still retain its uniqueness
- **Does the scope of the journal encourage submission from outside of Japan?**
- **Who are the Editorial Board / Advisory Board members?**
 - How do you engage with them?
- **What language is the journal / book written in?**
- **How many subscribers do you have in Japan?**
 - Japan represents 5-10% of revenue for a typical STM publisher
 - Germany similar size to Japan
 - USA 4-5x the size of Japan

4. Understand and maximise your sales channels

- **How much of your business is in Japan?**
 - Excellent network of suppliers/sales agents in place
- **How do you sell overseas?**
 - Sell direct or via third party (or both)
 - IOP 10 Regional Managers (academic/government)
 - Two Corporate Sales Managers
 - Telemarketing
 - Dedicated marketing team
 - Which agents/resellers
 - Exclusive or non-exclusive
 - If exclusive, what contractual obligations are there?
 - Agents and resellers can vary from country to country, market to market

What are your sales channels?

- Do you use sales agents?
 - What do they give you for their fee/commission?
 - Contract / Agree in writing!
 - Agree targets
- Who is responsible for sales promotion?
 - Do you work with your Advisory / Editorial Boards?
 - What materials do you produce?
 - Good marketing communication costs money
 - If you expect to sell overseas, budget accordingly
- How is this process managed within your institution?
 - Must be handled at a senior level

Useful tips for selling content overseas

- **Sales agents and other 3rd parties want good content**
- **Important events to meet potential sales partners**
 - **Frankfurt Book Fair**
 - Special Libraries Association of America
 - American Library Association
 - London Online
 - **Book Fairs – Beijing, Moscow, London**
 - Library meetings all over the world every month
 - Which agents attend which meetings?

5. Make the most of your content

- **Licensing content**
 - Assuming your content is available online?
 - Content collections
 - By subject?
 - Electronic packages
 - IOP example: IOPscience extra
 - We aggregate our own content
 - Consortia
 - Defensive sales policy
 - Protects existing business and should generate additional income
 - Yourself or with 3rd party
 - E.g. ALPSP Learned Journal Collection
 - Aggregators (e.g. ProQuest, CENGage, Ebsco)
 - What period of embargo is appropriate?
 - What is your policy for offering archival content?
 - Have you digitised your backfile?

How do you sell your content?

- **Other methods of generating income**
 - Pay per view
 - Own service or third party (or both)
 - Author charges
 - Article fees (open access)
 - Who pays?
 - Author, Library, Funding Agency
 - Hybrid model
 - Increasing # of requests from authors
 - Funding agency/body mandate
 - E.g. NIH, Wellcome Trust
 - Copyright licensing
 - Advertising sales
 - Offprints/Reprints

6. Be clear on your priorities

- **Profitability or visibility or both?**
- **The number of subscriptions**
 - Full rate – institutional / members / individuals
 - Methods to increase the number
 - Sales channels
 - Sales agents
 - Direct work force,
 - Sales promotion, marketing costs
 - Ongoing, persistent, engaging
- **Visibility**
 - The number of institutions that can access the journal
 - Maximise visibility for the author

Visibility

- **Subscription marketing**
- **Consortia sales / Electronic packages**
 - Sales to purchasing groups
 - Requires licensing and negotiating expertise
 - IOP: 100+ agreements in 60 countries
 - 1.5 full time member of staff
- **The future of the consortium model / “The Big Deal”**
 - Lots of discussion and concern expressed
- **Licence content to 3rd parties**
 - Ebsco, ProQuest, CENgage etc
- **Benefit of increasing visibility significantly**
 - Increased usage, more institutions, higher downloads
 - Relatively small amount of new revenue generated

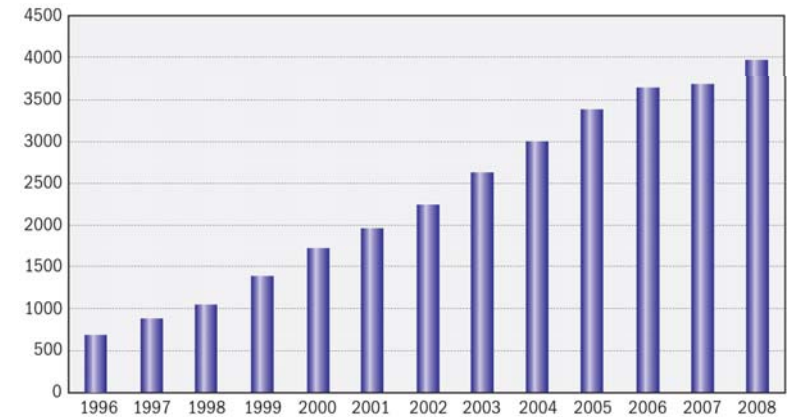
Changes in usage

- **2000** Typical journal might have a print circulation of 500-1000
- **2009** Typical journal now visible by 2000 - 3000 different institutions
 - “Development Aid” licences
 - E.g. eIFL, HINARI, INASP, ICTP
 - Free or low cost access for researchers in developing countries

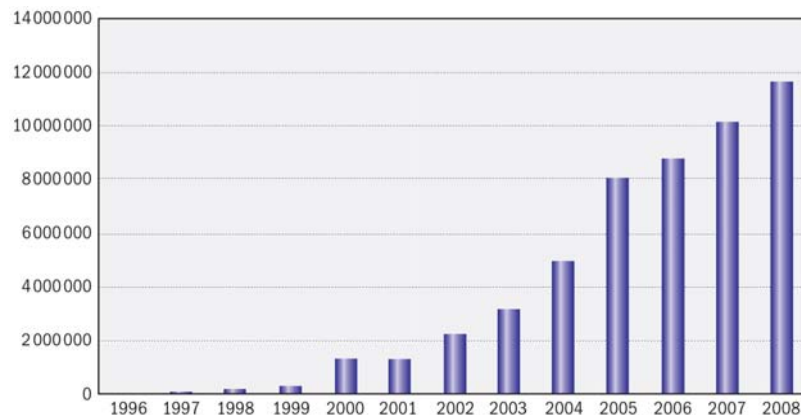
7. How your customers measure you

- **The service you provide**
 - Particularly if you host the publication yourself
 - Who can provide the best service / most cost effective service / most technologically advanced service
- **Impact Factor**
 - Libraries buying journals based on IF
 - Example: University in USA will automatically buy a journal in certain fields if the IF is over a certain threshold
 - Marketing activities to encourage usage
- **Usage**
 - Counter usage statistics
 - Project SUSHI
 - Journal (and soon e-book) usage from different publishers can easily be compared
 - Cost per download
 - How much are you investing to ensure your journal has the highest usage
 - Investing in usage – does it make a difference?

Institutions downloading content (1996-2008)



Total full-text downloads per year, 1996–2008



8. How much you charge

- **Pricing is a very sensitive topic**
 - No method is ever 100% correct
- **How you price your content**
 - Full rate – Discounted – Tiered
 - Which method is acceptable in your markets
 - Is tiered pricing appropriate in your market?
 - Different price according to size of institution
 - E.g. The American Physical Society,
 - For Institutions and Individuals
 - Consortia pricing
 - Protects business
 - Versions – print, electronic, combinations
 - Purchased with other content?
 - E.g. IOPscience Extra

9. Be clear on the service you want to provide

- **How international is your publication?**
 - What %age of authors from outside of Japan?
 - What %age of advisory board members/referees from outside of Japan?
 - All journal and book publishers want the same thing
 - The best authors
 - The best selling, ground breaking research
 - The most citable authors
- **How important is the technology? And at what cost?**
 - Who provides the technology?
 - In-house or external
 - What does your community need?
 - How much are you prepared to invest in the service?
- **The need to invest in the value which the publisher can (and should) add**
 - "Article of the Future" – interesting experimental work being done by Elsevier
 - Society publishers will continue to reinvest in their services to make their content as useful and usable as possible for the researcher, reader, referees, advisory board.

There is no secret to success

- **Just a lot of work!**

- **Any questions?**

Tony O'Rourke
IOP Publishing, Bristol, UK
tony.orourke@iop.org