

# SPARC Explores Income Models for Supporting Open-Access Journals

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**D**eveloping a sustainable business model is a critical concern for all publishers. For open-access publishers, who commit to free and open downstream access and reuse of their published material, the question of sustainability is a particularly challenging one. To increase awareness of different approaches that are available to publishers, SPARC (the Scholarly Publishing and Academic Resources Coalition) has released a report that provides an overview of income models currently used to sustain open-access journals. Raym Crow, SPARC Senior Consultant, is the author of the report.

Many discussions of open-access journal income models focus on article processing fees. However, as the guide documents, such fees are not appropriate for every journal or every publisher. The needs of individual journals differ, and a variety of income models can be used to support broad open-access distribution. The right model for any given publisher will take into account not only their need to cover expenses, but also the organization's "mission objectives, size, business management resources, risk tolerance, tax status, and institutional or corporate affiliation."

As Crow writes in the guide's introduction:

An income model does not need to reform the entire system of scholarly publication to be worthwhile to a specific journal. In the absence of a comprehensive, systemic change in the manner in which peer-reviewed journals are funded, publishers will continue to apply a variety of income models to support open-access distribution. In this context, an income model should be judged on its effectiveness to support any given journal—or to

support a specific class of journals—rather than on its universal applicability to support journals across all disciplines and markets.

With the new guide, *Income models for Open Access: An overview of current practice*, SPARC aims to support the development of sound open-access publishing business models by providing an overview of current practice, as well as concrete guidance for publishers in evaluating the viability and financial potential of available revenue streams.

The guide presents supply-side models, which are “funded primarily by producers of the content or by proxies that pay on their behalf,” and demand-side models, which are “funded primarily by consumers of the content or by proxies that pay on their behalf.” Supply-side models described include: Article Processing Fees, Advertising, Sponsorships, Internal Subsidies, External Subsidies, Donations & Fundraising, Endowments, In-Kind Support, and Partnerships. Demand-side models include: Use-Triggered Fees, Convenience-Format License, Value Added Fee-Based Services, and Contextual E-Commerce. To increase the value of the survey, readers are invited to describe other options through the guide’s complementary Web site.

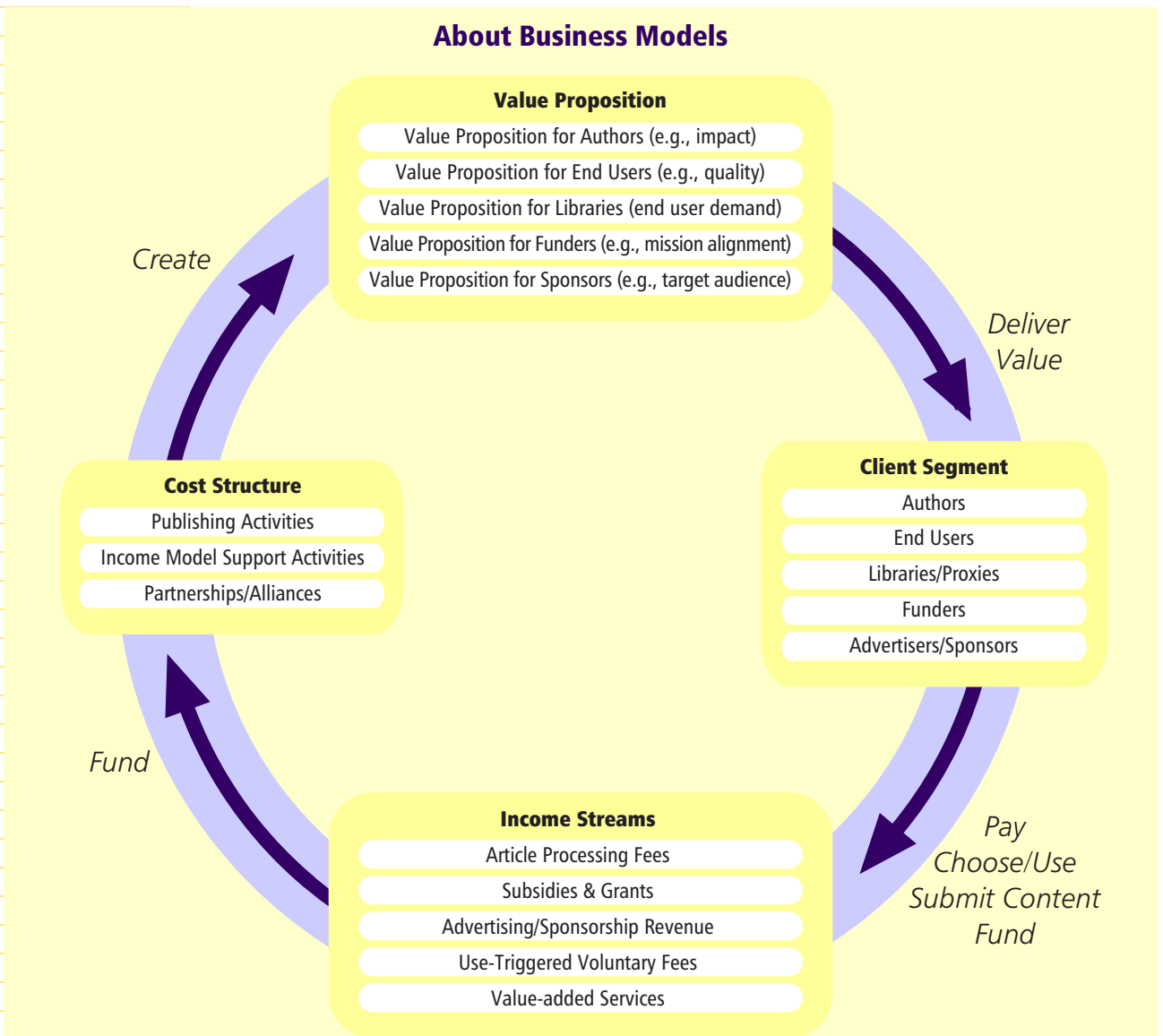
The guide details how each model works, the rationale behind it, its prevalence and suitability, and examples of publishers using the model. For selected models, additional detail is provided to help publishers assess the financial viability of the approach and to mitigate the risk of a transition.

*Income models for Open Access: An overview of current practice* is intended for publishers that aim to launch an open-access journal or convert an existing journal to open-access distribution. Such publishers include “independent, single-title operations, operated by a founding editor with volunteer support; society publishers of all sizes, including single- and multiple-title publishing programs; and conventional publishers, both commercial and nonprofit.”

The guide will also be valuable to libraries evaluating potential investments in open-access publications against meager library funds.

“There’s not a single solution to creating the income stream necessary to support open-access publication that works for every publisher,” said Heather Joseph, Executive Director of SPARC. “Through this experimental phase, it’s important to be both flexible and pragmatic in the evaluation of new models.”

SPARC supports publishing models and policy initiatives that broaden access to the peer-reviewed results of research, including Open Access—free, immediate, online access to the results of scholarly research. SPARC’s charge,



A business model describes the economic logic that sustains an enterprise. For the publisher of a peer-reviewed journal, it describes the journal's audiences, the unique value that the journal delivers to each of those audiences, the activities and resources required to create and deliver that value, and the market mechanisms by which the journal translates the value it delivers into income to sustain itself. See accompanying diagram of business model logic.

—excerpted from *Income Models for Open Access: An Overview of Current Practice*

since its inception, is to foster a more open system for the exchange of scholarly research results—a system that advances scholarship, leverages the opportunities presented by digital publishing technologies and ubiquitous networking, and reduces the financial pressures on libraries. Recognizing that changes to the traditional model of disseminating research have significant financial implications, especially for societies and other nonprofit publishers,

SPARC commissioned this guide and encourages community discussion on the income models described as well as contributions related to new and other models.

*Income models for Open Access: An overview of current practice* is available for free to read or download online. The guide is supplemented by an extensive Web resource, which invites community discussion on models described as well as contributions related to new and other models. The resource is online at <http://www.arl.org/sparc/publisher/incomemodels/>.

**To cite this article:** Jennifer McLennan, "SPARC Explores Income Models for Supporting Open-Access Journals." *Research Library Issues: A Bimonthly Report from ARL, CNI, and SPARC*, no. 266 (October 2009): 13–16.

<http://www.arl.org/resources/pubs/rli/archive/rli266.shtml>.