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Business models in academic Journal Publishing

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Abstract
This paper explores the different types of business models used in open access journal publishing namely; Advertising, Crowdfunding, Hybrid Open Access Journals, APCs and Volunteer effort. It seeks to understand the underlying challenges of each of these models and aims at narrowing down on the best model that suits scholars as both authors and readers.

Keywords: Academic Journals, Open Access Journals, advertising, hybrid OA, business models

Introduction

Academic Journals serve as forums of researchers for the introduction and presentation of new research works for scrutiny, and critique of existing works of research. Its primary purpose is to distribute knowledge of the most recent or latest researches and breakthroughs.
Most of the time, highly specific knowledge is provided for students and expert audience. Academic journal article contributors publish their works to establish or improve their professional ranking and reputation.
Academic journals are important as these greatly contribute to the validation of information as well as the dissemination of new knowledge. Theories change over time as new sets of knowledge continue to be discovered by researchers and therefore publishing such information in a well-established journal is a vital part for researchers.
With respect to publishing in a journal, for researchers and funders, the issue is how much of their resources need to be spent on publishing, and what form that publishing will take. For publishers, it is whether their current business models are sustainable and whether highly selective, expensive journals can survive and prosper in an open access world.

The Business Models of Academic Publishing

The following are a few of the business models and revenue sources for Open Access journals:

Advertising

The model is to use advertising on the journal's web site or article pages in order to generate income to help support the journal.
The number of advertisements in medical journals is enormous, competing frequently with the professional medical content. The practice of arranging thematic items to accompany advertisements is usual for the commercial paper publications and on sponsored Web sites, but is considered unacceptable for peer reviewed journals.
From the simple arrangements of the timely publications to support the advertisement there is just one small step to publishing articles prepared by advertisers. Such articles do exist and if they are accepted for publication, it would be natural for an advertiser to use these articles to support the advertising message.
The reason why advertisers want to influence journal content is clear: reader's trust the research reports published in professional journals more than other sources of information and advertisers therefore want to get their products endorsed in the article.
The reason for editors to adjust the content of the journal to suit advertisers or to attract specific advertisements for a thematic issue is also clear: they hope to increase the advertising revenue and please advertisers.
We can get a clearer understanding of the advertising process by looking at Figure 1 given below.

While ghost writing is difficult to prove, articles closely related to advertisements are simple to locate. The publication of "scientific articles" closely related to advertisements with hidden conflict of interest must be considered as serious misconduct.

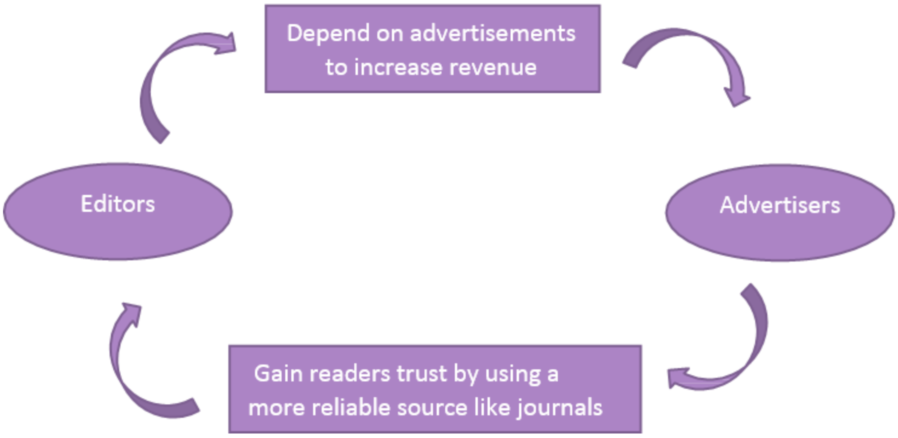

Fig 1: Advertising Model of Publishing

Crowdfunding

The model we see in figure 2 is for potential projects to be pitched online, allowing the broader community or crowd to choose to fund them with financial donations. With enough financial backing from the crowd, a project can cover its production costs and be published.

Crowdfunding represents an alternative way of funding compared to traditional borrowing. As a principle, crowdfunding is open to everyone - private persons as well as economic actors.

A group of people, the crowd, financially contributes small amounts to projects, products or ideas. These projects, products or ideas are owned by fundraisers like entrepreneurs seeking for money in order to get their project realized. Fundraisers search for investors directly or via a specific digital platform, referred to as intermediaries. Crowdfunding represents a recent web- based phenomenon which is gaining more and more scientific attention.

Scholars divide crowdfunding into a donations, reward, lending and equity model.

The donations model refers to a classic fundraising objective with the difference that the donations are made via web and, in most cases, a specific intermediary. Donators receive no material but immaterial, social rewarding in return for their contributions - e.g. public acknowledgements by the fundraisers.

The donations model is commonly applied for the realization of creative projects. It is also regarded as a rising opportunity for public institutions, such as libraries, to be financially funded by the crowd.

The reward model includes both, material and immaterial rewarding. For crowdfunding, investors are solely rewarded via social rewarding. In pre-selling or also pre-ordering, rewarding is materially based as investors receive the financed project or product before publication or market entrance.

The lending model gives small loans. Investors receive a fixed interest rate in this case. These kinds of contracts can either be made between private persons when a private investor finances a private fundraiser (Peer-to-Peer-Lending) or from private persons to companies.

The equity model comprises a fundraising via selling shares of the fundraised company to the crowd. This is often described as crowd investing or investment crowdfunding, when start-ups and entrepreneurs receive money from the crowd and bridge early stage gaps in funding Investors receive a profit sharing as a material reward.

As the numbers of intermediaries are rising rapidly, the crowdfunding movement is continuously. As a result, scientific contributions are continuously challenged by new developments.

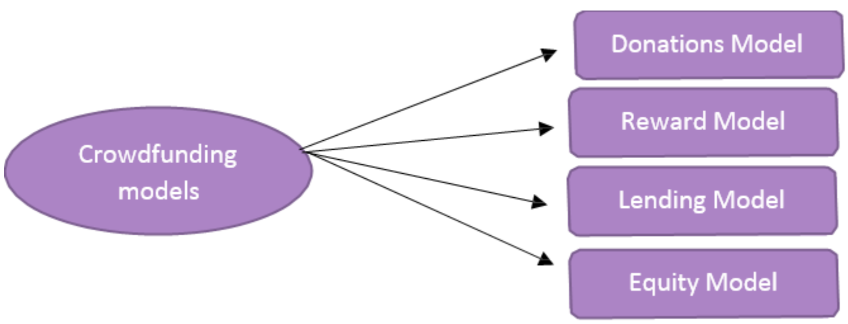

Fig 2: Crowdfunding Models

Hybrid OA Journals

The model is for a journal to publish some Open Access articles and some Non-Open Access articles, when the choice between the two is the author's rather than the editors.

Authors who choose the OA option must typically pay a publication fee or find a sponsor to pay a fee. In return the journal provides immediate OA to the article at its own web site. Authors who don't choose the OA option don't pay a fee, although they might still pay page and colour charges.

They do not get immediate OA, although they might get delayed OA if the journal provides OA to its backfile after a certain period.
Hybrid Open Access is a publishing model where some articles are made openly available, other articles remain closed access, and the journal as a whole is subscription-based. There is an overlap between the two methods. (See figure 3)
The first hybrid journals launched with Springer Open Choice and Wiley Online Open in 2004. Two years later, the publishing model was incorporated through Elsevier Open Access, Sage Choice and Taylor & Francis Open Select, and Nature Publishing Group (NPG) Open followed in 2007. Since then, the number of hybrid OA journals has skyrocketed and crossed the 10k mark, the leading 5 publishers owning the majority of these type of journals.
The challenge of Hybrid Open Access is Double Dipping which arises if a publisher seeks an unwarrantable increase in revenues by levying article processing charges (APCs) for publication in a hybrid journal, while not providing a proportionate decrease in subscription costs.
Due to a lack of discoverability, Hybrid Open Access might not offer authors the best value after all. Discovery and link resolution services traditionally work on the journal level, which means that Hybrid Open Access articles might not be indexed by search engines or picked up by library electronic resource management and discovery systems, but remain hidden behind a paywall

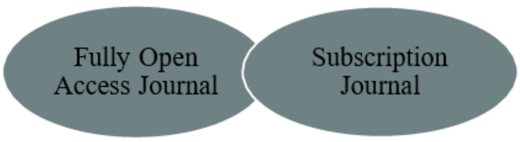

Fig 3: The overlap in Hybrid Open Access Journals

Publication fees (APCs)
The model is to charge a fee upon acceptance of an article for publication. The idea is for the fee to cover the costs of production, although in practice it might cover more or less.
Due to the fact that rejected articles pay no publication fees, the publication fee must cover the costs of publishing the accepted article plus the cost of reviewing the number of submissions rejected for each accepted submission.
The costs per accepted paper rises with the rejection rate thus the fee must rise with the rejection rate. The bill may go to the author, but is often paid by the author's funder or employer rather than by the author out of his pocket. Hence this model is sometimes, misleadingly, called the Author pays or Author fee model. The fee is sometimes called a processing fee or an article processing charge (APC).
The growth of APCs is explosive. The amount APCs paid in 2014 was more than double when the RCUK granting fund was introduced. There are two reasons why APCs may have an effect on library budgets: APCs make up at least 12% of publication costs and this percentage is likely to grow as gold OA becomes more common. However, libraries are not able to keep pace with inflation while the library expenditure is affected by APCs, the changes that it brings may be more substantial.

Volunteer effort
The model is to use unpaid volunteers for some of the work in producing the journal. All scholarly journals (OA and non-OA) use volunteers to some extent, as authors, referees, or some kinds of editors.
The biggest problem with peer review or volunteer effort is the workload of potential referees and, as a consequence of this, to find qualified referees who are willing to do the review job. Reviewers are committing a large amount of time to do reviews and most commonly do not want more reviews.
Reviewers who are willing to take on more reviews tend to be less experienced and want to be more involved in the science and to gain experience as a reviewer. Or, these would be willing to review more frequently, but only if the manuscript is directly related to their research interests or is fantastically interesting.
Reviewers have other responsibilities (e.g., salaried job, family, community service), and these responsibilities are usually given precedence over getting reviews in on time. Not many reviewers will admit to procrastination though.

Fig 4: Process of reviewing an article voluntarily or involuntarily

Conclusion
Large commercial publishers strongly prefer the ‘Reader Pays’ business model as opposed to the ‘Author Pays’ model as it has been the most profitable to them. They believe that libraries are willing to pay high prices for journals because they are sole sellers over their articles.
On the other hand, Librarians are supporters of the Open Access journals as it would solve the problem of the ‘serial crisis’ which refers to the chronic subscription costs of purchasing scholarly journals. It has forced purchasers such as University Libraries to cancel many of their journal subscriptions.
If we look at it from a scholar’s perspective, their chances of promotion, tenure and higher salary increase with prestige which comes from doing high quality research and with this context, it is said that ‘Prestige is the currency of Academia’.
As long as authors have the choice of choosing the best combination of price and quantity while submitting an article, publishers will continue to compete with the submission fees. The downside of this is that it might reduce the amount of research and number of articles being published.
A two-sided market can be considered as a solution whereby the author as well as the reader is charged a small amount and the processing charges can be covered with the help of advertisers, volunteer reviewers and crowdfunding. Open Access is a trending model for journal publishing and can be a viable option in future but institutions must be willing to fund the author in this case. Figure 4 illustrates the process of a peer reviewed volunteer effort in publishing a journal.

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