

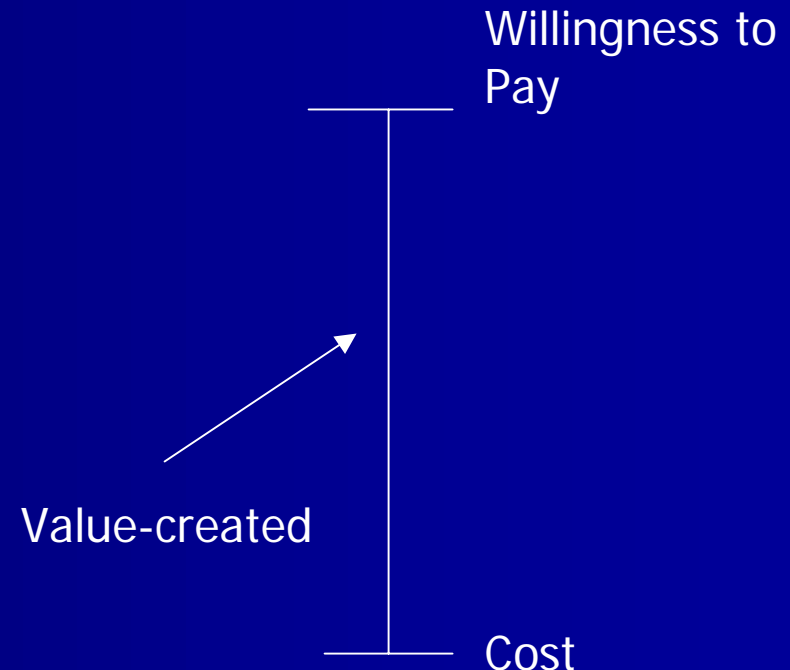
What Value Can a Digital Library Give Back to Publishers?

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A Simple Model of Value-Creation

- Value creation is the wedge between
 - Buyer's willingness to pay
 - Seller's cost to provide the materials
- Central Question:
 - Digital library's effect on value



Willingness to Pay Drivers

- Value of current content depends on:
 - Current content:
 - Quality
 - Impact
 - Past content:
 - Quality
 - Impact

How WDML Raises Willingness to Pay: Increasing Impact

- Making past content freely available raises overall impact of journal
- How?
 - Past content more highly cited
 - Cites raise impact of journal
 - This drives present WTP

How WDML Raises Willingness to Pay: Increasing Awareness

- Making past content freely available raises consumer awareness
- How?
 - Researcher awareness of journal raised by access to past content
 - Higher awareness raises willingness to pay for present content

How WDML Raises Willingness to Pay: Increasing Quality

- Making past content freely available raises value of current content
- How?
 - Researcher can now use links in current content to access past content
 - This increases usability (quality) of current content
 - Which in turn raises willingness to pay

How WDML Raises Willingness to Pay: Fostering Goodwill

- Making past content freely available creates goodwill with researchers and this raises willingness to pay
- How?
 - Goodwill increases probability researcher submits research, edits, referees for journal
 - Raises current quality
 - Goodwill increases lobbying of libraries by researcher to purchase current content
 - Raises current willingness to pay

How WDML Raises Willingness to Pay: Freeing Library Budgets

- Maintaining physical and digital copies of past material constitutes substantial part of library budgets
- WDML reduces this cost; thus freeing library budget funds
- This raises willingness to pay for current content

How WDML Raises Willingness to Pay: Freeing Time for Research

- By streamlining search costs, increases time to researchers for:
 - Producing content
 - Editing content
 - Reading content
- All of which raise willingness to pay

How WDML Lowers Costs: Maintaining Backfiles

- Many agreements on current content require digital access to this content in the future
 - Thus, future cost of maintaining backfiles offset current revenue streams
 - WDML provides a way to “outsource” this cost

How WDML Lowers Costs: Postprints

- Retrodigitization lowers postprint costs directly
- Improves willingness to pay of researchers who won't face postprint costs later

How WDML Lowers Costs: Creating Transparency

- WDML provides a valuable database on demand for past content
- Demand estimates provide a guide for deployment of resources of content providers
 - New journals
- Demand estimates provide a estimate for willingness to pay; thus improving pricing of current content

How WDML Reduces Value for Some Players

- Lost revenues on past content
- Large publishers:
 - Lower costs decrease economies of scale
 - Increases competition
 - Note this is a benefit for small publishers
- Jstor:
 - Substitution threat: WDML provides cheap (free) substitute for a portion of the value they offer

Summary

- On balance:
 - WDML raises willingness to pay
 - Lowers costs (at least somewhat)
- But:
 - Alters the “industry landscape”
 - Better information for entry decisions
 - Lower economies of scale = more competition

What's Missing?

- Other WTP and cost drivers?
- Other countervailing forces?