

# Disintermediation and Its Discontents

Publishers, Libraries, and the Value Chain

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# Topics

Defining disintermediation

What is library bypass?

The publishing value chain

What do publishers and libraries do?

**Roadblocks to innovation**

“Stop talking to your customers”

Who are the *new* customers?

# What Is Library Bypass?

The budget problem, short-term and long-term

Libraries as customers

Readers/end-users as customers

Natural outgrowth of weakening role of libraries in materials purchasing

# Publisher Bypass

Takes different form for books and articles

Open Access institutional repositories

Author-pays services (e.g., PLOS)

Book services for authors (Amazon, Lulu, etc.)

The tales of Joe Konrath and Amanda Hocking

Does publisher bypass affect editorial quality?

# Reality Check

Libraries continue to be the largest customers for journals

Libraries are a major channel for books (though declining)

Libraries are a *mature* channel, providing little prospect of growth

Disintermediation leads to growth, but from a small base

# The Case for Disintermediation (as some see it)

The Internet changes everything

Markets are one mouse-click away

The cost of establishing publishing  
infrastructure continues to drop

Publishers and libraries add little or no value

# The Publishing Value Chain

Products flow from upstream to downstream, beginning with authors, ending with readers

Publishers and libraries are both value-added intermediaries

Other intermediaries: subscription agents, wholesalers, literary agents, etc. (books and journals are different)

*Every link in the chain adds value*

# How Libraries Add Value

(a highly abbreviated list)

Selection

Aggregation (more is better)

Organization of materials

Discoverability

Purchasing power

Preservation

*Why are institutions reluctant to pay for these services?*

# The Value of the Value Chain

Each link provides its own value

Publishers provide selection as well as distribution

Wholesalers provide one-stop shopping, lowering administrative costs

The link disappears when the value created is no longer essential

## Example: Open Access

Intended to disintermediate publishers

Libraries as publishers through IRs

Now publishers have established OA services

Libraries have disintermediated themselves

# Disintermediating Book Publishers

Use of digital media for self-publishing

The intriguing examples of Joe Konrath and  
Amanda Hocking

The cooptation of self-publishing by  
publishers

The role of management

# Stop Talking to Your Customers

The strange example of Encyclopaedia  
Britannica

Sales force as king

Yesterday's successes hamstring future  
innovation

# Example: Professional Societies

Who are the customers?

A circular model of value creation

Finding customers beyond a society's membership

A spiral model of value creation

Rather than spending time worrying about disintermediation, we should be thinking of the value we create, especially the *new* value we wish to create.