Scholarly Professional Publishing: What the Future May Hold

April 24, 2014 Washington, DC
Disruption does NOT equal Destruction
My Perspective

• Heading up Simba Information’s Business Professional group since 2005
• Cover STM, Legal, Tax and Regulatory Publishing
• Business Information Markets, Brokerage Financial, Current Awareness News Research, Credit, Marketing
What’s on Tap?

• Dire Predictions
• Simba Market Forecasts
• Big Picture Items
It’s important to listen to people’s views of the market place, just remember to take it with...
Claudio Aspesi, analyst Sanford Bernstein, June 2010

Mr. Aspesi issued a report suggesting that STM publishing leader Reed Elsevier was: “in denial on the magnitude of the issue potentially affecting scientific publishing”, and suggested that it was time to “pursue a progressive break-up of the company.”
“...it is at least plausible to imagine a world in which the value of the franchise of each individual journal decreases and the value of the franchise of the individual articles increases. I am saying that the impact factor could be replaced — I do not have a crystal ball, of course. If the journals were to lose importance and the publishers would be left competing for administrative fees to manage peer review, both revenues and margins would decline.”
Alternative Article Metrics

The metrics have no use for feet.

Kilometer (km)  Millimeter (mm)  Decimeter (dm)
Centimeter (cm)
Several Startups are Working on Building these New Reputation Metrics in Science, Including:

- Academia.edu
- Mendeley
- ResearchGate
- PLOS
- Google Scholar
- Altmetrics.com
- Plum Analytics
- Impact Story
Alternative Metrics Fall into Several Categories:

- Inbound citation metrics
- Readership metrics
- Follower counts
- Commenting metrics
- Recommendation metrics
“Publishers seem to be relying increasingly on libraries (rather than individual subscribers) to keep their revenue streams healthy, and the current trends in subscription prices and library budgets do not bode well for the future of that arrangement. Either the current trends will change or there will be a collapse in the system. There is no third option.”
The Tipping Point Looms…
“The Tipping Point–Open Access Comes of Age” Study by Eric Archambault, President and CEO of Science Metrix

“The percentage of articles published in 2008 that are Open Access in 2013 is between 42-48%.”
Evolution, Not a Cliff: New Models Gain Traction

- Pay-per-view or transactional access
- Short-term loan or article rental
Crystal Ball Time: Simba Market Forecasts
Modest Growth Forecast for Most Segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>Projected Growth 2013-2016 (Percent Change)</th>
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<tbody>
<tr>
<td>Legal</td>
<td>0.0%</td>
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<tr>
<td>Scientific &amp; Technical</td>
<td>3.0%</td>
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<tr>
<td>Medical</td>
<td>2.0%</td>
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<tr>
<td>Tax, Accounting &amp; Business</td>
<td>4.0%</td>
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<tr>
<td>Social Science</td>
<td>1.0%</td>
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<tr>
<td>Total Scholarly Professional</td>
<td>-2.0%</td>
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</tbody>
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- Legal
- Scientific & Technical
- Medical
- Tax, Accounting & Business
- Social Science
- Total Scholarly Professional

2013 2014 2015 2016
STMS Books Decline; Tax, Legal Grow Under 2%

Projected Book Growth by Segment 2013 -2016

- Legal
- Scientific & Technical
- Medical
- Tax, Accounting & Business
- Social Science
Medical Journals to Lag Market on Weak Ads

Projected Journal Growth by Segment 2013-2016

- Legal
- Scientific & Technical
- Medical
- Tax, Accounting & Business
- Social Science

Percent Change

<table>
<thead>
<tr>
<th>Year</th>
<th>Legal</th>
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<td>2016</td>
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Online Services to Post Solid Growth

Online Services Projected Revenue 2012 - 2016

- Legal
- Scientific & Technical
- Medical
- Tax, Accounting & Business
- Social Science

Revenue in millions:
- $4,500
- $4,000
- $3,500
- $3,000
- $2,500
- $2,000
- $1,500
- $1,000
- $500
- $0

Years:
- 2012
- 2013
- 2014
- 2015
- 2016
Journals and Online Services Carry the Torch

Projected Growth of Publishing Activities 2013-2016

- Books
- Online Services
- Newsletters/looseleafs/directories
- Journals
- Other
- Scholarly Professional

<table>
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<tr>
<th>Year</th>
<th>Books</th>
<th>Online Services</th>
<th>Newsletters/looseleafs/directories</th>
<th>Journals</th>
<th>Other</th>
<th>Scholarly Professional</th>
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Publishing Pie…

Scholarly Professional Publishing Activity Share 2012

- Books: 36%
- Online Services: 28%
- Newsletters/looseleafs/directories: 7%
- Journals: 23%
- Other: 6%
...Shifts to Journals and Online Services

Scholarly Professional Publishing Activity Share 2016

- Books: 33%
- Journals: 31%
- Online Services: 25%
- Newsletters/looseleafs/directories: 6%
- Other: 5%
Mobile to Grow 45% CAGR 2011-2016

<table>
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<tr>
<th>Mobile Business Professional Information Spend</th>
<th>2011 vs. 2016</th>
<th>($) in millions</th>
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<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2016</td>
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- Mobile Business Professional Spending
- Other Business Professional Spending
Ebooks Climb to 25% of Book Market in 2016
Some Big Picture Items:

• The Impact of Big Data
• The Journal Reimagined
• Everybody is Publishing
• Advertising Continues to Decline
Likely Strategies:

• Revitalize core print products, integrate emerging e-media and mobile platforms
• Position businesses as multiplatform brands that provide a variety of services to their audiences
• Focus on customized content, integrate vertical search portals, and produce multimedia digital editions, social media components
Thank You