

DigiZeitschriften: A Niche Project at a Crossroads

Case Study Update 2011

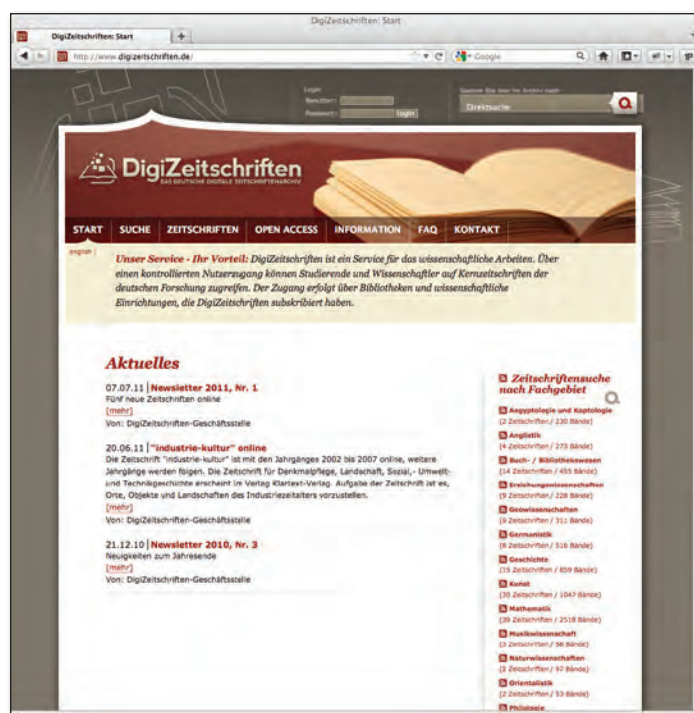
www.digizeitschriften.de

Ithaka Case Studies in Sustainability

DigiZeitschriften, a collection of digitised German-language scholarly journals, has continued to successfully support its operations and generate a surplus through a combination of its subscription model and a low cost base, thanks to its 14 partner libraries, which help to curate the content and seek grant funding as needed. Since we profiled this project in 2009, its website has been revamped, and Google and other search engines are now allowed to crawl some content for the first time. And yet many significant challenges lie ahead, as finding sources of new content has become difficult and new customers are increasingly hard to come by.

DigiZeitschriften is a German-language online archive of scholarly journals, launched as an online service in 2005 with funding from the German Research Foundation (DFG).¹ Its aim was to provide access to important German-language periodicals, following a similar model to that of JSTOR in the United States. Today, DigiZeitschriften operates as a not-for-profit organisation, headquartered at the Göttingen State and University Library at the University of Göttingen, and is supported by the contributed efforts of 14 partner university libraries. When we first profiled DigiZeitschriften in 2009, the resource boasted 3.5 million pages from 144 journals in 18 academic fields, and counted 192 subscribing institutions.

As of May 2011, DigiZeitschriften (or 'DigiZeit') has expanded its subject offerings to include 19 academic disciplines. The resource now contains 420,000 scholarly articles from 166 journals, totalling four million pages of scanned content. Subject areas covered include German language and literature, history, art, philosophy, mathematics and economics. New titles have been added in the areas of history, philosophy, philology and art. The resource is managed on a daily basis by Project Manager Caren Schweder, who heads DigiZeit's Administrative Office, and



www.digizeitschriften.de

one part-time colleague; strategic decisions are made by the DigiZeitschriften board, which is chaired by Dr. Berndt Dugall, who recently succeeded Dr. Norbert Lossau as the board's chairman. Dr. Norbert Lossau remains connected with DigiZeitschriften through his capacity as the director of the Göttingen State and University Library.

Original sustainability model (2009)

From DigiZeit's earliest days, among the conditions of its grant from the German funder DFG was that its business model would need to ensure that the project could generate enough revenue to continue its activities without the need for further grants (although additional outside grants could be sought for major digitisation projects). The project has been able to do this successfully by keeping costs very low, relying on institutional support and the contributed efforts

¹ Nancy Maron, 'DigiZeitschriften: Library Partnership and a Subscription Model for Journal Database' (New York: Ithaka S+R, 2009), www.ithaka.org/ithaka-s-r/research/ithaka-case-studies-in-sustainability/case-studies/SCA_BMS_CaseStudy_DigiZeit.pdf

In 2009, Ithaka S+R published twelve detailed case studies of online digital resources, exploring the strategies project leaders were using to sustain those projects for the long term. All of the case studies have been updated in 2011, to revisit the original sustainability models and see how they have fared over the past two years. To read the original case studies, please visit: www.ithaka.org/ithaka-s-r/research/ithaka-case-studies-in-sustainability

of its 14 member libraries – which assist the project by selecting content for inclusion, clearing intellectual property rights, and preparing bound volumes for scanning – and by seeking additional grants for discrete digitisation projects. An institutional subscription model has provided a reliable source of revenue.

In 2009 we highlighted a major strength of the DigiZeit model: its close collaboration with the Göttingen State and University Library and its network of partner libraries. Among the challenges facing the resource were its relative insulation from its end users, with most decisions made between DigiZeit executive staff and the partner libraries.

How the model has fared

DigiZeit's basic business model has changed very little over the past two years. The archive has continued to benefit from close collaboration with its host institution and the partner libraries and has introduced efforts to address end-user needs. DigiZeit's subscriber base has slightly increased from 192 subscribing institutions in 2008 to 206 subscribing institutions in 2011, with almost no attrition from the existing subscriber base. The number of participating publishers has remained the same, and partner libraries continue to provide support when needed. Despite the recent global economic downturn, support from the Göttingen State and University Library has been unaffected and is still a major piece of the equation as they continue to allocate staff to digitisation and administrative activities in support of the project. At the time of this writing, Dugall noted that the university's level of commitment to the project has not changed. In 2011, DigiZeit's institutional subscriptions are expected to generate €218,400 (\$305,760), up from €180,000 (\$252,000) in 2009. With operating costs of approximately €122,250 (\$175,000) in 2009 and €126,250 (\$176,750) in 2011, DigiZeit continues to produce a surplus.

Changes in direction and new initiatives

Challenges identifying content. As in 2009, where to get new content and how to fund its digitisation are still important issues:

- DigiZeit has encouraged its partner libraries to identify subject areas for which they can secure grants for digitisation. For example, DFG recently provided financial support for the digitisation of 12 journals from Heidelberg University Library's Art and Satire Journals of the 19th and 20th Centuries, due to the initiative of librarians at that partner institution.² At the same time, the moving wall – the period of delay between original publication and inclusion on the DigiZeit website – in the past has ranged from six months to 10 years, with an average of about five years. More recently, the average delay has shortened, with 30% to 40% of publishers using a moving wall of

just two to three years, demonstrating their desire to see their content in the database sooner, without sacrificing revenue from the sales of current issues.

- On the other hand, there are challenges concerning long-term prospects for content acquisition. Larger publishers, such as Springer, have insisted on fixed walls, so that none of their content beyond a certain date will ever appear on DigiZeit. In 2011, approximately 85% of the journals in the archive have a moving wall and 15% have a fixed wall. While in the early years many publishers were willing to have their content included in DigiZeit, Dugall reports that it has become much more difficult for DigiZeit to expand the roster of publishers on its platform and thus build its content base. According to Dugall, 'the same publishers we started out with 15 years ago are still with us', but no new ones have been added in recent years. Larger publishers, such as Wiley and de Gruyter, do not participate in DigiZeit because they prefer to keep their content on their own platforms. Smaller publishers without the resources to create their own platforms comprise the majority of DigiZeit's holdings at this point.

Addressing user needs. DigiZeit continues to rely upon its partner libraries to keep in touch with the patrons who use the resource and has not undertaken any comprehensive end user market research studies itself. Since 2008, DigiZeit has undertaken some significant improvements, designed both to improve the discovery of information on their site and to enhance the value to users:

- **An overhaul of the website:** Based on requests from partner libraries, DigiZeit has added full-text search, RSS feeds, an OAI interface and new search options. Another new feature is *Previewimport*, in which scanned pages are placed online as soon as they have been digitised, allowing for access before final formatting has been completed.
- **Improved discovery:** In 2009, publishers' concerns about intellectual property rights hindered DigiZeit's ability to gain exposure on the internet via major search engines. As of early 2010, DigiZeit began allowing Google to index the metadata of their freely available material, and to search the first and second pages of each article for keywords. Google also searches the content of the paid-access content in spite of prohibition by German intellectual property rights laws. Despite this step, Dugall reports that traffic to the DigiZeit site has only increased 'a bit' as a result, and that most visitors are still coming directly to the site rather than arriving through search engines.
- **Directing users to other journals:** As part of a strategic decision to increase its value to customers, DigiZeit links users to current issues of journals which are not yet available on DigiZeit's site. While Dugall feels that these changes have been valuable for users, the resource has a limited ability at present to gauge increases in site usage or changes to other impact measurements.
- **Expanding the open-access domain:** In 2011, 40% of DigiZeit's content is available on an open-access basis, and DigiZeit is constantly trying to expand the open-

² www.ub.uni-heidelberg.de/Englisch/helios/fachinfo/www/kunst/digitit/artjournals/Welcome.html

Sustainability dashboard

	2009 Case Study*	2011 Update**	What's Changed?
Content	144 German-language journals, including 300,000 articles covering 18 academic subjects	166 German-language journals, including 420,000 articles covering 19 academic subjects	A 15% increase in number of journals, and a 40% increase in number of articles
Functionality	<ul style="list-style-type: none"> ■ Authenticated access for subscribing institutions ■ Browsing of journals by discipline, title, year 	<ul style="list-style-type: none"> ■ Website redesign ■ Full-text search capability ■ Google crawling on first pages of each article 	Improved functionality
Sustainability Model	<ul style="list-style-type: none"> ■ Host institution support ■ Partner libraries network support ■ Subscription fees and one-time payments from subscribing institutions 	<ul style="list-style-type: none"> ■ Same 	No significant shifts in the model
Costs	€122,250 (\$175,000)	€126,250 (\$182,000)	Costs remained steady
Revenues	<ul style="list-style-type: none"> ■ €180,000 (\$252,000) ■ Subscription fees from 192 subscribing institutions (65% from Germany, 35% from other countries) 	<ul style="list-style-type: none"> ■ €218,400 (\$315,000) ■ Subscription fees from 206 subscribing institutions (71% from Germany, 29% from other countries) 	A 21% increase in revenues
Impact	35,000 article downloads per month, on average	142,556 article downloads per month, on average	Average monthly downloads quadrupled
Sustainability Bottom Line	<ul style="list-style-type: none"> ■ Resource succeeded in generating a surplus on directly budgeted costs ■ Contributed staff time from library partnership model kept costs low 	Partnership and subscription model still keeping costs low and resource still succeeding in generating an overall surplus, but difficulty in attracting new publishers and more content could hinder growth in the future	

* These costs and revenues reflect DigiZeitschriften's 2009 fiscal year.

** These costs and revenues reflect projections for DigiZeitschriften's 2011 fiscal year.

access domain. All articles hosted by DigiZeit which were published before 1900 are available for free due to DigiZeit's general publishing policy. Some newer articles are freely available in DigiZeit's open-access domain due to DigiZeit's cooperation agreements with certain publishers and archives.

A market with limited growth opportunities. While DigiZeit's costs are modest, its target market of libraries with an interest in German-language scholarly resources is necessarily finite, and the pool of materials from which DigiZeit can draw is, likewise, finite if the archive cannot enlist more publishers to its cause. Dugall believes that DigiZeit has saturated its core market of Western and Central European academic libraries, and it expects most of its new business to come from Eastern Europe and Asia. Dugall acknowledges the limitations of the current model: he anticipates that in the next five years, DigiZeit will have 220–225 customers, and that that may represent the ceiling in the number of customers the project can realistically attract under the current model. Dugall recognises that DigiZeit's overall business model presents challenges, which point to the reality that specialised aggregators may need to integrate into larger content platforms to survive.

Sustainability outlook

Today, DigiZeit stands out as one of the few projects we have studied that manages to generate a surplus from a stable core of subscribing institutions. With little to no attrition among its subscribers, DigiZeit has consistently added to its content base and expanded the range of disciplines it covers. DigiZeit has aspirations to expand into new markets, though its minimal staffing may make this difficult.

DigiZeit has successfully kept its focus on a well-defined mission: to offer German-language scholarly journal content to a scholarly audience. By keeping the focus on this mission, DigiZeit has effectively provided a valuable service to its partner libraries whose collections are being digitised, and to those users who seek access to the deep backfile of journal content.

Looking ahead, however, DigiZeit has already begun to encounter several obstacles that could easily hinder future growth:

- **Finding new content:** Without new content to enrich the collection over time, and facing increasing availability of journal backfiles on competitive platforms, DigiZeit may have trouble maintaining its value to its users. Making

publisher participation more appealing in some way – either financially or by virtue of the greater exposure the platform could offer – seems important, but is not necessarily a direction being explored at present.

- **Signing up new customers:** While their current customer base is quite stable, a finite market of libraries with an interest in German-language scholarly resources will make it difficult for DigiZeit to expand its subscriber base beyond a certain threshold.
- **Building a strong user base:** While the strength of DigiZeit's relationships with its partner libraries and with its other subscribing libraries is clear, DigiZeit's relationship to its users is less so. Recent years have brought some important improvements to the user experience, from the interface to search engine discovery. Still, by relying on the partner libraries to serve as proxies for users in determining user needs, the resource may have difficulty in being responsive enough as user needs evolve.
- **Remaining competitive:** With more players in the digital content field, for how long will DigiZeit's subscription model remain strong? It will be of the utmost importance that DigiZeit remains alert to competing forces in the industry and proactive in seeking out opportunities for growth and in planning strategically for the future.

Lessons learnt over the past two years

- Staying small and well-focused, with a core of supportive customers who truly value the resource, can be a successful sustainability strategy
- As the competitive environment changes, projects may need to consider ways to strengthen their value to users

Interviewees

Dr. Berndt Dugall, Chairman, DigiZeitschriften,
 15 February 2011

Caren Schweder, Project Manager, DigiZeitschriften,
 2 May 2011, 17 June 2011

This case study update was researched and written by Nancy L. Maron and Sabine Zander as part of the Ithaka Case Studies in Sustainability project.

Summary of revenues and costs

	2009	2011	Comments
Total revenue*	€180,000	€218,400	+21%
Subscription fees	98.4%	85.6%	
Member fees	0.75%	0.65%	Partner libraries pay a yearly membership fee of €100 each.
One-time fees charged to new subscribers	0.85%	13.75%	New subscribers pay a one-time fee equal to 3 times their annual subscription fee.
Total costs	€122,250	€126,250	+3%
Personnel costs	68%	65%	
Non-personnel costs	32%	35%	
Number of staff	1.5 FTE	1.5 FTE	Project manager (0.75 FTE) and administrative assistant (0.75 FTE)
In-kind/volunteer contributions	14 partner libraries responsible for content selection; technology support provided by Digitisation Centre; office space provided by host institution		

Explanatory note

The information presented in this table is intended as a broad picture of revenues and budgeted costs associated with the project, not as a detailed financial report. It does not include in-kind contributions or other unbudgeted items, though these are described where they are known. The financial data, which are presented in the currency in which the project reported the information, were compiled as part of the interview process with project leaders and staff, and in some cases were supplemented with publicly available documents, such as annual reports. Many of the figures are rounded or best estimates. Some leaders preferred not to offer figures at all, but suggested percentages instead. Because of the variability in the way each institution estimated the various categories of revenues and costs, the information presented in the table is of limited value for detailed cross-project comparisons.

* In our 2009 publication, total revenue was not broken up into the segments 'subscription fees', 'one-time payments' and 'member fees'. For our 2011 publication, DigiZeitschriften provided us with such a break-up for the 2009 fiscal year retrospectively and for the 2011 fiscal year.