



What is PEAK?

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Scholarly communication is poised at a potential crossroads as electronic resources and tools redefine the established norms. New technological means of delivering information create challenges and opportunities for publishers and libraries. Traditional pricing schemes and product approaches often do not fit this new environment. PEAK (Pricing Electronic Access to Knowledge) is a cooperative project of the University of Michigan and Elsevier Science to investigate these issues of pricing and product models for electronic journals. As a research project, PEAK is a field experiment in which institutions operate participate different price/product models. As a service, 1200 Elsevier journals are managed and made accessible through PEAK.

The PEAK Pricing Models

The PEAK project is exploring price and product options for electronic journals. In particular, PEAK is addressing methods of bundling of content and aspects of non-linear pricing.

The traditional print-on-paper journal is a bundle of issues, bibliographic information, abstract, text, and figures. When this information is archived in an electronic form, the material can be re-bundled in many ways. PEAK participants are offered several combinations of price/product options represented in three models:

- Traditional subscription -- unlimited access to specific journal titles that correspond to Elsevier print journal titles.
- Per article -- unlimited access to a specific article (by a single individual) for a fixed price.
- Generalized subscription -- unlimited access to specific articles through upfront purchase of bundles of articles by the Library. Once selected, articles are available to the entire user community without additional charges.

Linear pricing, where revenue increases linearly with the quantity purchased, is a familiar pricing scheme used for traditional media. Nonlinear pricing refers to a broad class of schemes in which revenue increases nonlinearly with price. Like bundling, nonlinear pricing may fit well in the world of electronic publishing since

recovery of fixed publishing costs can be spread over more revenue- generating products due to the new services that can be created. PEAK's nonlinear pricing includes a participation fee, followed by unit charges for the separate articles, traditional, and generalized subscriptions purchased.

Who is participating in PEAK?

Twelve institutions are participating in PEAK, including the University of Michigan. Participants include large research institutions, medium-size colleges, small colleges and professional schools, and corporate libraries. Each institution has been offered different price/product options to choose from in order to provide a research framework in which to analyze decision processes as well as user behavior under different conditions. Data are being gathered on PEAK usage, allowing in-depth analysis of collection use within these different models.

What will we learn?

Through analysis of data and feedback from the participants, we hope to answer questions such as: how do users respond to different pricing schemes? Do these access and pricing models add value to users? Can the results from PEAK be generalized to other business models? What is the effect of these access and pricing models on producer revenues?

For more information:

PEAK Information Site <http://www.lib.umich.edu/libhome/peak/>
UM Digital Library Initiatives <http://www.lib.umich.edu/libhome/DLI/>