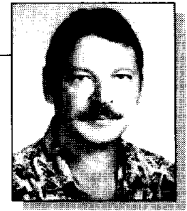


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# THE LINEAR FILE

Guest Editorial  
by Péter Jacsó



## Who's Gonna Pay the Piper for Free Online Databases?

The feature article in this issue about multimedia music databases (p. 14) suggests that the free browsing and sampling approach to well-structured, content-rich, genuine databases may represent a model and a trend for others in our industry to follow. You may feel that this free-for-all attitude will be short-lived, and just a honeymoon behavior, and you may as well wonder who is going to pay the piper in the long run?

### THE NEW PRICING MODEL FOR SOME ONLINE SERVICES

I think this model will be applicable for *some* types of databases, and will be embraced quite soon by *some* database publishers—primarily by those of a retail nature, and who use the databases as catalogs of merchandise. We, the customers, pay the piper implicitly, just like we pay for traditional advertisements when we buy merchandise. The multimedia music databases are probably the best example for this model for several reasons:

- a) buying a CD for \$10-15 is often impulse buying,
- b) this impulse is perfectly reinforced by being able to take a few samples from the album, and

- c) the profit margin on CDs and, to a lesser extent, tapes is better than on most consumer products.

The music industry laments that it had a bad year. Instead of the usual 12 to 13 percent annual growth rate, in 1995 the growth rate was less than ten percent. Why then the gold rush to create high-quality, information-rich, free databases if people tend to cut their spending?

I think that the traditional information industry, let alone many other industries, would celebrate a nearly ten percent growth rate to start with. Also, it is apparently worth investing in a nifty database and a server computer to let users browse around freely for the prospect of increased sales. The return on investment may be higher than with magazine, TV, and radio commercials, and easier to measure. It is certainly less risky than opening a new store in a mall where the same browsing and sampling activities are also free without guaranteed sale transactions. You don't have the enormous rental, security, inventory supply and maintenance costs, and problems associated with record stores in the malls. Just direct retailing costs make up 30 to 35 percent of the total costs of producing and selling a CD. You can operate this service for a fraction of the retail costs from a barn in Nowhereville for users from San Diego to Maine, and beyond. When digital financial

transactions are standardized internationally, the reach will extend from Fiji to South Africa.

Buying music is a social process, flipping through albums, checking out the liner notes, and listening to records is part of the pastime. Hanging out in music stores is a cool thing. You may argue that online browsing cannot replace these. I don't claim that this is a replacement alternative. It is a complementary one. I still go to the splendid Borders Books store, to the Wherehouse, and to the Virgin Megastore, and I find myself in plenty of company. Sometimes too big and too close for comfort, and that's the point.

I don't enjoy others bumping into me or breathing down my neck as I am flipping through the CDs or cassettes. I don't always need company, nor care to wait for the earphones. I can't even sample the records in most stores. Even in the best stores there are only a few dozen sample CDs or listening posts, and the collection is not comparable to the ones of the largest online music catalogs, featuring 150,000 to 200,000 albums. Most importantly, I can visit the multimedia databases any time.

When working on this guest editorial I read in the then current issue of *Newsweek* (February 26) that the number one country star Shania Twain "has a warm, languid alto sweetened with a wisp of bedroom allure." I wanted to hear it right then. And hear it I did, in less than a minute, four to five short cuts from the album. It was more than enough to convince me to order the album immediately. I can also sample somewhat esoteric albums that are not carried by any stores, such as upcoming Scottish and Irish groups playing Gaelic and Celtic music.

There may be serious copyright implications, but it is too early to say how that will play out. Considering the increasing unpredictability of the American judiciary system, I would not guess (though my doctoral thesis was about the legal protection of software) what the judgment would be in the case of a copyright infringement suit against those who offer album covers and soundclips free of charge.

### THE POSSIBILITIES FOR THE TRADITIONAL ONLINE DATABASE MARKET

How can this approach of the multimedia music catalogs be a model for other database publishers, especially for those who don't sell merchandise? It is not applicable to every database publisher, but there are many who could consider it. I would not be surprised if EBSCO made an enhanced version of its Serials Directory freely available on the Web, or a directory subset of consumer magazines. EBSCO is a jobber that deals with millions of magazine subscriptions. They could cut a deal with some key publishers to have a few pages and the table of contents scanned in and displayed with the bibliographic record. It would get a percent of the subscription orders that would more than pay for the costs of this enhanced service. It would also lure in more customers to EBSCO's other abstracting/indexing and full-text databases. EBSCO might as well venture into making its bibliographic citations records, perhaps even the abstracts

available free of charge, and charge only for document delivery—after all they have thousands of journals in house that they abstract and index.

That is how CARL's UNCOVER table of contents service became so successful and financially viable. A more current, and sophisticated example is the NlightN system that often provides almost as much information at the record level for free than, say, the indexing-only databases of H.W. Wilson that have only citations and indexes for hard, cold dollars. It is applaudable that Reed made the Books Out Of Print database available free of charge with a nifty search engine. UMI, which now has a smart, intuitive and attractive software in ProQuest Direct, could also launch a service on the Web for its Resource One or Periodical Abstracts database, offer the citations and the abstracts free, and increase their venerable document delivery service and the profit on it significantly. ProQuest Direct is beautiful, utterly convenient, but is not meant for the individual user. This solution could also make UMI a household name. Barbara Quint envisaged this approach some time ago, and perhaps file producers and database publishers feel that the time has come for innovation.

There is another alternative. Make a database freely available for a large number of people, and let its cost be covered by ads. Many online database service providers could easily do that, perhaps starting with only one or two databases. Gale and TFPL (Task Force Pro Libra) could easily place a much needed online directory of databases on the Web, and cover the costs with advertisements. I can imagine that some of the most innovative online hosts in our industry, such as OVID and SilverPlatter, put up a significant (say, five-year journal article) subset of the ERIC database on the Web for free access to counter the already free and impressive Web version of ERIC from Syracuse University. Obviously, it could help in retaining users who hear the siren song of the free version of this venerable source. It could be sponsored by ads of publishers of educational materials, or considered as a publicity vehicle for the many other fee-based databases of OVID and SilverPlatter that get better exposure for less money than these hosts may pay for traditional ads. SilverPlatter's small but free samples on the Web of a good dozen SPIRS databases represent an excellent marketing idea, and possibly a move in this direction.

The publisher of *DATABASE* offers *Online User* magazine for free, in print and online, which certainly recruits new subscribers to the other publications of Online, Inc. *Online User* is already available free on the Web (<http://www.onlineinc.com>) with samples from its sister publications, and with links to advertisers' sites. The time may not be far away when it will include more screenshots, even short video illustrations for product reviews, and other value-added features. Now that would further boost its readership, and would *really* motivate me to publish.

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